

## **The complaint**

The estate of Mr L complains that AXA France IARD (AXA) hasn't correctly calculated the compensation for mis-sold Payment Protection Insurance ("PPI") on the late Mr L's store card.

## **What happened**

Briefly:

In 2020 The estate of Mr L made a PPI mis-selling complaint to AXA, which it subsequently upheld. But AXA said that because a claim amount in excess of £5,000 had previously been paid out, no refund was due – the claim amount exceeded the PPI refund.

I issued my provisional decision of February 2022 in which I said I was minded to uphold the complaint and direct AXA to pay some of the PPI compensation direct to the estate of Mr L. I said I had reached this conclusion because AXA's records appeared to show an error in the amount of the claim at the time – it was duplicated – so the claim amount did not likely exceed the PPI refund.

The estate of Mr L didn't reply to my provisional decision.

AXA replied and said it agreed with my decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

While I'm mindful that AXA says it agrees with the conclusions reached in my provisional decision, for the sake of completeness I'm issuing a final decision.

For the reasons I've set out below, I've decided to uphold this complaint and make an award in the estate of Mr L's favour.

It is not disputed that there was a successful claim made on the late Mr L's store card. The claim was made following Mr L's death. According to the policy terms and conditions, for a life claim the benefit amount equals the outstanding card balance at the time and no more. According to AXA the amount of the claim was £5,532 and it has provided three internal screenshots as evidence of the claim and the amounts paid.

AXA has also provided as part of its submissions system notes recorded against the late Mr L's account as well as balance and credit limit history. I've reviewed this carefully alongside the information provided by the estate of Mr L.

Having done so, I'm not persuaded by what AXA says – I don't think the amount of the successful claim was £5,532. I say this because firstly the three internal system screenshots AXA has provided which detail the claims are in my view duplicates. Each of the three

records refer to the same claim event of 2 November 1999 and all record the same benefit payment amount of £1,844. This strikes me as odd – a life claim is only paid once and as I said above the payment should be for the outstanding card balance at the time and no more. In this case it appears AXA considers there were three claim amounts of £1,844 – hence the three claim records - which gives the figure of £5,532 it is quoting.

For a claim amount of £5,532 to have been paid out, the late Mr L's store card outstanding balance would've had to equal this amount. But I've not seen anything to indicate it was at this level. Firstly according to AXA's records the credit limit was around £3,000; secondly the highest recorded balance was just over £1,900; and thirdly the estate of Mr L says the outstanding balance in November 1999 was around £1,800 (I've seen a statement from September 1999, which shows a balance of around £1880.) And these figures pretty much correspond with each claim record amount of £1,844.

So taking everything into account, I think the outstanding card balance at the time of the successful claim was £1,844 – hence the figure quoted on the claim records.

To further support my view that AXA's claims records have been duplicated, I've looked at the system notes AXA has provided for the late Mr L's account. Looking at these, I can see a series of notes from 14 January 2000 to 7 March 2000, which refer to the PPI insurance claim. While I cannot decipher the entire series of entries because it has been written in some kind of short-hand, importantly I can make out reference to the insurance claim having been paid twice and the overpayment sent back. There are two references here on two different dates to the claim being paid twice. So it seems there was an error with the PPI claim amount.

I think this is important evidence. I say this because when it is tested against the other evidence both parties have provided, I think it supports the likelihood that AXA's claims records have been duplicated. In my view only one claim record is accurate – I think there was only one successful claim (it was a life claim after all) for the outstanding card balance, which was likely £1,844. Nothing I have seen supports AXA's assertion that the benefit claim amount was in excess of that.

This means I think the estate of Mr L is owed some of the calculated PPI refund because I'm not persuaded that the true claim amount exceeds the refund of premiums including interest.

I understand that while AXA doesn't have all of the store card account transaction history from the start of the account to its end date, it has said that it knows the total PPI premiums paid, the total interest charged and the total spend on the account. So I currently have no reason to question the fairness of the calculation AXA carried out in arriving at the PPI refund amount of £3,564.08.

### **Putting things right**

AXA needs to put things right because I'm not persuaded the successful claim amount exceeds the amount of the PPI refund for the reasons I've set out above. So AXA should do the following:

Pay the estate of Mr L the amount of PPI compensation which exceeds the likely claim amount of £1,844 i.e. £1,720.08 (£3,564.08 minus £1,844)

Because the estate of Mr L has been out of the money, AXA should add interest on the award amount of £1,720.08 at a rate of 8% simple per year † from November 2020 (the date of its final response) to the date of payment.

† HM Revenue & Customs requires AXA to take off tax from this interest. AXA must give the estate of Mr L a certificate showing how much tax it's taken off if it ask for one.

### **My final decision**

For the reasons above I've decided to uphold this complaint and I direct AXA France IARD to pay the estate of Mr L compensation as I've set out in the section above. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr L to accept or reject my decision before 25 April 2022.

Paul Featherstone

**Ombudsman**