

The complaint

Mr A complains that AXA Insurance UK Plc mishandled his claim on a motor insurance policy.

Where I refer to AXA, I refer to the above-named insurance company and I include claims-handlers, engineers and others insofar as I hold AXA responsible for their acts or omissions.

What happened

The subject matter of the claim and the complaint is a saloon car, first registered in 2006.

For the year from February 2021, Mr A had the car insured on a comprehensive policy with AXA. The policy schedule said the estimated value of the car was £3,000.00. Any claim for damage (other than to a windscreen) was subject to an excess of £650.00.

In early September 2021, Mr A was using the car on a road trip in a rural part of continental Europe where he wasn't familiar with the language. Unfortunately, on the evening of 5 September (a Sunday night) his car suffered frontal damage in an accident. AXA didn't recover the damaged car – rather Mr A got it to a local garage.

From about mid-October 2021, Mr A complained to AXA about poor service, delay and failure to provide a courtesy car.

In late October 2021, AXA paid Mr A its pre-accident valuation of his car, less the excess. A few days later, it increased the valuation and made a further payment.

By a final response dated December 2021, AXA said it was paying Mr A £150.00 compensation and £25.00 in relation to the late response to his complaint. Mr A brought his complaint to us without delay.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. He thought that AXA was responsible for avoidable delay that caused distress and inconvenience. He didn't recommend that AXA should reimburse wasted accommodation costs. The investigator recommended that AXA should:

1. pay Mr A – in addition to the £150.00 - a further £550.00 (a total of £700.00); and
2. meet reasonable costs of recovery based on the prices their appointed agents would charge in that part of Europe.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr A and to AXA on 16 August 2022. I summarise my findings:

Mr A had no choice other than to make his own arrangements for recovery of his damaged car to a garage. He had told us he paid in cash. In any event, AXA had agreed to pay him what it would've paid for a recovery from the scene of the accident to the first garage. So I found it fair and reasonable to direct AXA to make such a payment.

The shortcomings in AXA's response caused other impact on Mr A. That started with a feeling of being unsupported on the night of the accident. It continued with the embarrassment of having to deal with the garage where his car ended up. And he had to chase AXA for progress for several weeks.

AXA tried to put things right in its final response. But I didn't consider that £150.00 and £25.00 went far enough. I considered that the investigator's recommendation went too far.

Subject to any further information from Mr A or from AXA, my provisional decision was that I upheld this complaint in part. I intended to direct AXA Insurance UK Plc to pay Mr A:

1. the sum that it would've paid for a recovery from the scene of the accident to the first garage; and
2. in addition to the payments of £150.00 and £25.00– a further £250.00 for distress and inconvenience.

Mr A accepted the provisional decision. His recollection is that he paid the driver of the recovery truck about €150 cash.

AXA hasn't added anything in response to the provisional decision.

So I see no reason to change my view.

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.

I think that it's common ground that the policy provided comprehensive cover for up to 90 days driving in the parts of Europe Mr A intended to visit. The policy covered his car up to its market value.

The policy said that AXA would provide a courtesy car if Mr A's car was being repaired by one of its approved repairers. If his car was a total loss, then the maximum period for keeping the courtesy car was 14 days. The policy also said the following:

*"If a courtesy car cannot be arranged, **we** will repay **your** alternative travelling costs up to a maximum of £15 per day."*

In my view the use of the word "*repay*" means that Mr A would have to provide evidence of costs such as taxi receipts.

Since at least mid-October 2021, Mr A has been complaining to AXA that on the night of the accident, he rang from the roadside, but AXA said it couldn't help him with recovery of his damaged car in Europe. AXA hasn't provided any call recording from that night or from his later report of the accident. So I find it more likely than not that Mr A had rung AXA on the

night of the accident, and it said it couldn't help him.

Therefore I consider that Mr A had no choice other than to make his own arrangements for recovery of his damaged car to a garage. He has told us he paid in cash. In any event, AXA has agreed to pay him what it would've paid for a recovery from the scene of the accident to the first garage. So I find it fair and reasonable to direct AXA to make such a payment.

Mr A's car was never at one of AXA's approved repairers. And it was a total loss. So I don't consider that AXA had to provide a courtesy car for longer than 14 days - or to pay more than 14 days at £15.00 per day (a total of £210.00) for alternative traveling costs.

As AXA said it couldn't provide a courtesy car to Mr A, I would've found it fair to direct AXA to pay him up to £210.00. But that would but only be the case if he had provided evidence of alternative travelling costs such as taxi receipts – which I don't think he has.

I consider that – in the context of frontal damage to a 2006 car worth about £3,000.00 – AXA should've been more proactive about getting details and images which showed the car was a total loss. Instead, AXA waited until late September to receive the garage's repair estimate in Euros for the equivalent of about £8,600.00. After translation, it was mid-October by the time AXA engaged with the pre-accident valuation.

The accident itself was bound to cause Mr A upset and inconvenience – including the need to make telephone calls and re-think the plans he had with his friends. I consider that it would be going too far to hold AXA responsible for the waste of pre-paid accommodation in a different part of Europe later in October 2021.

Mr A hasn't provided enough detail to show any other financial loss.

But I consider that the shortcomings in AXA's response caused other impact on Mr A. That started with a feeling of being unsupported on the night of the accident. It continued with the embarrassment of having to deal with the garage where his car ended up. And he had to chase AXA for progress for several weeks.

Putting things right

AXA tried to put things right in its final response. But I don't consider that £150.00 and £25.00 went far enough. I consider that the investigator's recommendation went too far. I conclude that – in addition to the payments of £150.00 and £25.00– a further £250.00 would be fair and reasonable compensation for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct AXA Insurance UK Plc to pay Mr A:

1. the sum that it would've paid for a recovery from the scene of the accident to the first garage; and
2. in addition to the payments of £150.00 and £25.00– a further £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 October 2022.

Christopher Gilbert
Ombudsman

