

The complaint

Mr O complains AXA Insurance UK Plc has handled his motor insurance claim poorly.

What happened

In April 2022 Mr O's parked vehicle was involved in a collision with a lorry. He feels the third party driving the lorry was at fault. The driver left the scene without Mr O getting their details or registration. He claimed for the loss against his AXA motor insurance policy. The insurer arranged and covered the cost of repairs to Mr O's vehicle.

AXA was provided with CCTV footage of the incident by the car park's owner. But it said due to the quality of the video it was unable to identify the registration of the lorry so couldn't pursue a claim against its insurer. So it closed the claim as an unrecovered cost (or 'fault') against Mr O. He had to pay his policy's excess and lost his no claims bonus (NCD).

In September 2022 AXA responded to a complaint from Mr O. He wasn't happy that it had failed to pursue the third-party insurer. AXA said the footage isn't clear enough to read the lorry's registration number, so it was unable to identify its insurer to pursue a recovery of costs. It said it had followed the correct process for the claim. It accepted it had failed to update Mr O and had taken too long to respond to him on occasion. To recognise this it offered him £125 compensation.

Mr O wasn't satisfied as AXA, still denying the registration and insurer of the lorry could be identified, still hadn't sought to recover the claim costs. So he came to this service. He said to resolve his complaint he would like AXA to take various steps including pursuing a costs recovery claim against the third-party, refund the policy excess, reinstate his NCD and pay £2,000 him compensation for inconvenience and costs.

In February 2023 our investigator viewed Mr O's copy of the footage. He said the registration and company logo of the third-party lorry was identifiable. He sent AXA images showing the registration. He recommended it pursue the third-party – and pay Mr O an additional £100 compensation. In April 2023 AXA agreed to that that outcome and reopened the claim to pursue recovery of costs. Mr O didn't accept the compensation awarded. He said £2,000 compensation would be more appropriate. So he requested an ombudsman consider the complaint.

In June 2023 AXA again told Mr O it was unable to identify the registration details. This service then sent AXA further photos and a CD of the CCTV footage. In mid-August 2023 AXA accepted the registration details could be seen, identified the lorry's insurer and began a claim for recovery of costs.

In September 2023 I sent Mr O and AXA my thoughts on the complaint. I said I intended to require AXA to pay him an additional £350 compensation. I explained I hoped to resolve the complaint, with both parties' agreement, without the need for a formal final decision. AXA agreed to my proposed increased compensation. However, Mr O didn't respond so I've issued this decision. I've reached the same outcome as I'd set out to the parties previously. I've summarised my reasoning below.

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.

Mr O's requested his NCD be reinstated and his excess be refunded. The NCD is linked to the outcome of the recovery claim – so it would be inappropriate for me to require AXA to reinstate it here regardless of its handling of the claim.

I don't intend to require AXA to refund the policy excess. The excess would apply, in line with the terms of the policy, regardless of any poor handling of the claim by AXA. Mr O may be able to recover the excess from the third-party insurer. He should speak to AXA about this.

However, I feel it's reasonable to increase the amount of compensation paid by AXA. I don't intend to provide a detailed timeline or assessment of events here. I've instead given a summary of my thoughts on what's happened.

I can understand Mr O's frustration with AXA. It did have video footage but repeatedly said it couldn't identify the registration number. This was despite others, including this service, being able to do so.

There are two different clips. One shows the registration clearly, the second doesn't. It seems AXA was initially only provided with the second clip. I can see it re-requested footage from the car park owner – so was trying to address Mr O's concerns. It seems it was again only provided with the second clip. It's possible AXA could have done more during this period, but overall I'm satisfied it handled the claim reasonably well up until late 2022.

I haven't been provided with much to show what happened from late 2022 to February 2023. There's little in the way of case notes, for example. Mr O says he sent AXA copies of the videos, but I haven't seen anything to confirm that.

However, after this service's involvement AXA accepted, in April 2023, that the registration could be viewed. It agreed to reopen the claim and seek recovery. But it failed to do so despite having this information – bizarrely again claiming it couldn't identify the registration number. That was despite its own complaint handler having confirmed sight of it. It wasn't until Mid-August 2023, and after our further involvement, that it contacted the third-party insurer to seek recovery.

If the claim is settled in Mr O's favour AXA should allow reinstatement of his NCD. It's worth noting, if that happens, he could contact his current insurer to explain the reinstatement and request a refund of any difference in premium.

AXA's clearly responsible for a fair amount of delay and confusion with the claim. I can see this has caused Mr O a reasonable level of frustration and inconvenience. He's referred to numerous trips made to source the video footage. He felt the need to take on a representative – although he hasn't, despite requests, provided evidence of his costs for that. Being told again in June 2023 that AXA couldn't identify the third-party registration must have caused him additional frustration and distress.

Overall I feel a total of £475 (meaning an additional £350 to that offered by AXA in its complaint response) is a fair amount to recognise the unnecessary distress and inconvenience Mr O experienced.

My final decision

For the reasons given above, I require AXA Insurance UK Plc to pay Mr O a total of £475 compensation (£350 to what its already offered him).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 October 2023.

Daniel Martin
Ombudsman