

## **The complaint**

Ms H complains about how AXA Insurance UK Plc handled a claim made on her motor insurance policy. She wants it to increase its compensation payment for her trouble and upset.

## **What happened**

Ms H was involved in a car accident in 2019 and made a claim on her policy. Ms H was unhappy with how AXA investigated the claim and considered her evidence that she hadn't been at fault. AXA abandoned the claim in 2022. It told Ms H that it would be recorded as non-fault and her No Claims Bonus (NCB) would be unaffected. It offered Ms H £800 compensation for her inconvenience. But Ms H thought this wasn't sufficient for its delays, and for her trouble and upset.

Our Investigator recommended that the complaint should be upheld. He thought AXA's compensation payment was fair and reasonable. But he thought the fault claim had affected Ms H's premium for a number of years. He thought AXA should refund the difference for the three previous years if Ms H had paid more for her cover because of the fault claim.

AXA agreed to do this. Ms H replied that she thought AXA should refund her premium increases for three years, her policy excess and her expenses. She thought further compensation was warranted for her four years' trouble and upset. She wanted confirmation from AXA that the fault claim had been removed from her records. Ms H asked for an Ombudsman's review, so her complaint has come to me for a final 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.

Ms H has kindly provided us with a detailed timeline of her experience following the accident and raising a claim on her policy. I can see that this has been a frustrating and time consuming experience for Ms H. And I can understand that Ms H was upset that AXA abandoned the claim and settled it as fault after more than two years. This was despite her providing details of witnesses and dashcam footage to support her version of events.

In its response to Ms H's complaint, AXA said that the claim had been mishandled by AXA throughout and it was clear there was a considerable delay caused by its lack of proactivity. Ms H had contacted AXA on multiple occasions, and it was clear it had not replied in a timely manner, or on occasions not at all. AXA has also agreed that it should have done more with the evidence available to push for a non-fault settlement.

When a business makes mistakes, as AXA accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

In AXA's response to Ms H's complaint it said it had changed the claim to non-fault and her NCB would be unaffected. It has confirmed that no claims are showing on the Claims and Underwriting Exchange (CUE) database. Ms H asked for written confirmation of this, and I think that's a reasonable request in the circumstances.

AXA has agreed to redress the effect the fault claim had on Ms H's premium for the following three years. Ms H has obtained evidence of the effect of the fault claim on her premiums from two subsequent insurers. I can understand that this is an inconvenience for Ms H, but I think it's for her to provide the requested evidence of a premium increase from the third insurer if she wants AXA to refund it.

Ms H also had to pay her policy excess of £150. This is always the first part of a claim to be paid and is an uninsured loss. So AXA wouldn't usually refund it unless it had recovered its outlay from the other driver. But I don't think this would be fair in Ms H's circumstances. I can see from its file notes that AXA offered to refund her policy excess in 2021 as a gesture of goodwill for its delays. But it didn't action this at the time. So I think it should now do this. I asked AXA to comment on this, but it hasn't responded.

Ms H said she had submitted a list of her out of pocket expenses to AXA's solicitors but had heard nothing further. These may have been required so that the solicitors could recover any uninsured losses from the other driver's insurer. But we wouldn't normally require an insurer to reimburse these. And I think they can reasonably be considered to be covered by the compensation payment.

I think these actions reasonably restore Ms H's position. So I'll now consider the impact AXA's claim handling had on Ms H. I think Ms H was caused substantial trouble and upset over more than two years. I can see that she was caused avoidable frustration by unanswered phones, unreturned calls and failed correspondence. I can see that pushing AXA for updates and resubmitting her evidence took an inordinate amount of Ms H's time. And I can understand her frustration and upset.

AXA offered Ms H £800 compensation for the distress and inconvenience caused by its handling of her claim. I'm satisfied that this was in keeping with our published guidance for the level of impact this caused. In deciding this, I have considered the duration of the claim and the stress caused. I've also considered that any incident and claim would involve a level of trouble and upset. So I don't require AXA to increase its offer.

### **Putting things right**

I require AXA Insurance UK Plc to do the following, as it's already agreed to do:

1. Refund Ms H the increase in premium she paid for her motor insurance in the three years following the accident, on provision of reasonable evidence of this.
2. Refund Ms H the policy excess she paid.
3. Pay Ms H £800 compensation for the distress and inconvenience caused by its level of service.
4. Provide Ms H with a letter stating that the claim was closed as non-fault and her NCB was unaffected and this has been recorded on all external and internal databases

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint in part. I require AXA Insurance UK Plc to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 7 June 2023.

Phillip Berechree  
**Ombudsman**