

The complaint

Mr E is unhappy that AXA Insurance UK Plc took too long to deal with the claim for damage to his vehicle and that they settled a third party claim against him as a fault claim without carrying out a proper investigation.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for 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.

Having done so, I agree with the outcome suggested by our investigator for these reasons, although I also consider AXA should pay interest on one of the amounts due to Mr E:

- AXA could have done a better job of investigating the third party's claim against Mr E's policy. But I agree with our investigator that the outcome would have been the same, ie AXA would have had to settle it in full due to the nature of the incident and the fact that it was most likely Mr E was always going to be held fully at fault for the incident, as he was emerging from a parking space.
- AXA took too long to arrange a courtesy vehicle for Mr E initially, but I'm satisfied what they've paid him in compensation to cover any loss flowing from this and the distress and inconvenience he experienced is reasonable.
- AXA took far too long to decide that Mr E's vehicle should be written off, but I'm satisfied what they've paid to compensate him for the distress and inconvenience he experienced because of this is reasonable.
- AXA's communication in relation to the claim against Mr E by the third party was poor. And so was their general communication. AXA have offered an additional £150 in compensation for the distress and inconvenience Mr E experienced because of this. However, bearing in mind AXA incorrectly took away Mr E's courtesy vehicle in the middle of his claim and then took it away again at short notice when it decided to write off his vehicle, I don't think £150 is enough. But I think if AXA pays Mr E the additional £335 our investigator has suggested to cover the additional losses and costs Mr E incurred when he found out very late his vehicle had been written off and had to go and collect the racking from it at short notice, this would be fair compensation overall.
- I am pleased AXA have agreed to pay Mr E £2,130 to cover the cost to him of hiring a vehicle after their error left him without one. And I think this is appropriate, as AXA should not have taken away his courtesy vehicle, as he was entitled to have one until his vehicle had been repaired or written off. I understand Mr E has provided copies of receipts for this to AXA but, as far as I know, AXA still haven't paid this amount to him. Plus, I think AXA should pay interest on the amounts making up this total amount at 8% per annum simple from the date Mr E made each payment to the hire company to the date AXA pays him the overall amount. This is because Mr E needs to be compensated for being without these funds.

- I think AXA should pay Mr E a further £325 for the earnings he lost when AXA cancelled his courtesy vehicle at short notice when it decided to write off his vehicle. Mr E has explained that he had five boiler services booked and had to cancel these at a loss to him of £65 per job. I appreciate he saved some costs, as he didn't have to use up fuel to get to the jobs. But I think this amount would be negligible and I am satisfied it is appropriate to make AXA pay him this amount without further evidence. However, as I am not deducting anything for the saving in fuel costs, I am not going to make AXA pay interest on this amount.

Putting things right

As set out above, I've decided to uphold Mr E's complaint and AXA should pay Mr E the following to put things right:

- An additional £150 in compensation for distress and inconvenience, if they have not paid this already;
- £335 in compensation for the delay in writing off his vehicle;
- An additional £325 to cover loss earnings, and
- £2,130 to cover hire costs if they have not paid this already, plus interest at 8% per annum simple from the date Mr E paid these amounts to the date AXA makes or made this payment.

My final decision

My final decision is that I uphold Mr E's complaint and order AXA Insurance UK Plc to do what I've set out above in the 'Putting things right section'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 22 August 2023.

Robert Short
Ombudsman