

## **The complaint**

Ms L complains about how AXA Insurance UK Plc handled a claim made on her motor insurance policy. She wants it to refund her policy excess and increase her compensation for being without a courtesy car.

## **What happened**

Ms L was involved in an incident and AXA took her car for repairs. But Ms L was unhappy with delays in the claim and that she was without a courtesy car for eight days. After the complaint came to us, AXA offered Ms L £150 compensation for the delays, £100 compensation for her distress and inconvenience and £45 for alternative travel. But Ms L remained unhappy.

Our Investigator recommended that the complaint should be upheld in part. She thought AXA's compensation for the delays in the claim and the trouble and upset caused was fair and reasonable. She thought the policy excess was always the first part of a claim to be paid. But she thought Ms L had been without a courtesy car for eight days. And so, in keeping with the policy's terms and conditions, she thought AXA should increase its compensation for this to £120.

AXA agreed to do this. But Ms L said the delays and lack of a courtesy car had meant that she had missed a planned holiday. She asked for her complaint to be reviewed, so it's 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 L has explained that she collided with a parked van. Her car was unroadworthy, and she had to leave it on double yellow lines in an awkward place whilst she made her claim. AXA appointed a repairer, but it couldn't recover the car for a further week. Ms L persisted in contacting AXA and its agent, and another repairer was then allocated. Her car was recovered 36 hours after the incident.

Ms L wasn't provided with a courtesy car until eight days after the incident. Because of this delay, she said she missed a booked holiday, and this wasn't refunded by her travel insurance and her work was affected. Ms L asked for her policy excess to be refunded, a refund of the cost of her missed holiday, and compensation for being without a courtesy car for eight days.

AXA has accepted that it made errors in handling Ms L's claim. It said it had caused delays in the repairs and caused Ms L inconvenience in having to chase up the repairs. And it's now accepted that Ms L was without a courtesy car for eight days.

When a business makes a mistake, 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. Ms L has accepted that her policy excess would always be payable, so I've not considered that further here. AXA has agreed to pay Ms L £120

compensation for being without a courtesy car for eight days. The policy's terms and conditions state:

*"If a courtesy car can't be arranged...we'll repay your alternative travel costs up to a maximum of £15 a day."*

I can't see that Ms L has provided evidence that she incurred travel costs over this amount whilst she was without a car. So I think AXA's offer restores Ms L's position.

AXA offered Ms L £150 compensation for the delays. AXA is required to deal with claims promptly and fairly. And I'm satisfied that £150 compensation was fair and reasonable as it's in keeping with our published guidance when there are delays of a week or so. AXA also offered Ms L £100 compensation for her trouble and inconvenience in having to repeatedly contact its agents. I can see that Ms L was anxious to have her car recovered promptly. And I'm satisfied that £100 compensation for this was fair and reasonable for her having to chase this up several times over 36 hours. And so I think AXA's compensation offers fairly and reasonably redress the impact its errors had on Ms L.

Ms L also wanted AXA to refund the cost of her missed holiday. She explained that she had to wait for her car to be recovered by AXA and this delay meant that she had to cancel her holiday. But I can't see that this is covered by the policy. I can understand that Ms L needed to hand the keys over to the recovery agent. But I can't reasonably hold AXA responsible for her decision to cancel her holiday, for the lack of a refund from the holiday provider or for her declined travel insurance claim.

### **Putting things right**

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

1. Pay Ms L £120 in total compensation for her loss of use.
2. Pay Ms L £150 compensation for the delays in her claim.
3. Pay Ms L £100 compensation for the distress and inconvenience caused by its handling of her claim.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint. I require AXA Insurance UK Plc to carry out the redress set out above, as it's already agreed to do. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 18 March 2024.

Phillip Berechree  
**Ombudsman**