

The complaint

Ms B complains that after she contacted it about an incident, AXA Insurance UK Plc created a record of it that caused her motor insurance premium to rise substantially.

What happened

In May 2022, Ms B called AXA about an incident in which her car was slightly damaged, but she didn't make a claim. She says her renewal premium that year was reasonable, and she wasn't told the incident had been recorded on the *Claims and Underwriting Exchange* ('CUE') national database. Before renewal in 2023, Ms B contacted other insurers for quotes. She says she was told by two insurers that the high premiums they were offering would have been less had the incident in May 2022 not been recorded on CUE.

AXA told Ms B that premiums in general had risen due to a range of factors, including recent world events. It said it had recorded the incident as '*notification only*', with no cost attributed to it, and with her no claims discount ('NCD') unaffected. AXA said it wouldn't remove the record from CUE as it was accurate and reflected Ms B's driving history. It also said it had no control over how other insurers used CUE records in their pricing process.

One of our investigators reviewed Ms B's complaint. In his opinion AXA acted reasonably in recording the incident on CUE as notification only. He said he couldn't comment on other insurers' actions, but that premiums had risen in general due to financial pressures on insurers across the industry.

As there was no agreement, the complaint was passed to me for review.

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.

In my opinion, AXA acted fairly and reasonably in recording the incident as it did. Ms B was required to report any incident to it – in line with the policy and with standard industry practice. The incident is part of Ms B's driving history. AXA has shown that it made an accurate record on CUE, making it clear to other insurers using the database that there was no cost attached to the incident and no 'blame' on Ms B's part, as her NCD was unaffected.

AXA says the incident had no impact on the premium she paid it - but AXA can't be responsible for what other insurers do. Some insurers increase the cost of a consumer's premium based on a notification only incident, whilst others don't. The decision on pricing is for each insurer to make, and it's unfortunate that the insurers Ms B contacted used it to increase the premiums they offered. But that doesn't mean AXA shouldn't have recorded accurate information about the incident, or that it should be required to remove it.

Numerous factors other than incidents are taken into account by insurers when setting premiums – including general factors, such as inflation. And from what I've seen, there's no doubt that costs across the motor industry (such as repairs) have increased significantly since the pandemic. These issues are reflected in higher premiums, so I think the cost of Ms B's cover would have risen anyway. It isn't clear what proportion of the increased premiums offered by the other insurers were directly attributable to the CUE record - but regardless of that, in my opinion it wasn't due to any fault on AXA's part.

I can see why the premiums quoted by other insurers may have come as a shock to Ms B. But many consumers recently have been faced with the same situation, whether they've been involved in an incident or not.

As I don't think Ms B has shown that AXA acted unreasonably, I can't uphold her complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 11 May 2024.

Susan Ewins
Ombudsman