

The complaint

Mr C complains about the way AXA Insurance UK Plc has handled a claim he made on his motor insurance policy.

What happened

In April 2023, Mr C was involved in an incident whilst in his car. He made a claim on his AXA insurance policy for the damage to the vehicle. He said, when making the claim, that he was stationary in a car park when another car collided with his as it moved out of another parking bay.

In October 2023, Mr C's car insurance was due to for renewal. He said he contacted AXA about the claim and was told the third party (TP) was denying liability. Mr C asked AXA if it had secured the evidence Mr C had told it was available, such as CCTV evidence from a nearby shop. AXA confirmed that it hadn't. It said it would make further enquiries into obtaining evidence.

Unhappy with AXA's handling of the claim, Mr C complained. He said by AXA not pursuing the evidence he'd told it about, his renewal premium had gone up by around £1,000, as he couldn't declare the accident as 'non-fault' as he thought it should be.

In December 2023, AXA responded to the complaint. It accepted it could have been more proactive in chasing the claim and keeping Mr C updated. It apologised for the unnecessary distress it had caused and paid Mr C £300 compensation. It later increased this to a total of £450 compensation. It also said once the claim was settled, if it was recorded as non-fault, it would adjust his premiums and refund any extra that he'd paid when he renewed the policy.

Unhappy with AXA's response, Mr C brought his complaint to the Financial Ombudsman Service for an independent review. Our Investigator didn't think AXA needed to anything more to put things right.

Mr C didn't accept that, he wanted an Ombudsman to consider matters. He said whilst he accepted, under the terms of his policy, AXA had discretion to decide how to resolve the claim, this doesn't mean it can act unreasonably by not gaining all of the evidence in a timely fashion.

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.

As this is an informal service, I'm not going to respond to every point or piece of evidence that Mr C and AXA have provided. Instead, I'll focus on those that are key to the outcome I've reached.

I'm aware this is likely an ongoing claim, in that I'm unsure if the claim outcome is now concluded. So I want to make clear to Mr C and AXA that I'm only considering issues up to AXA's final response letter of 13 December 2023. If Mr C remains unhappy with the way AXA handled matters after that letter from December 2023, then he'll need to make a further complaint to AXA, before our Service can review those matters.

What is clear, is that AXA has not handled matters as well as it should have between when the claim was made in April 2023, and October 2023 when Mr C contacted it for an update. It's also clear that AXA didn't pursue information, such as CCTV footage, which it should have done, promptly. This is disappointing and has caused Mr C unnecessary distress and inconvenience. I am pleased to note that AXA recognised its shortcomings, apologised, and offered compensation to Mr C for this. Having considered our usual approach to payments for distress and inconvenience, I think AXA's total award of £450 is in line with awards this Service would make for similar issues where a business's mistake has caused considerable upset or inconvenience. So I'm not going to require it to pay anymore.

I've then considered if Mr C has been caused a financial loss, because of AXA's actions in not progressing matters as it should.

Firstly, I should say, it isn't for this Service to decide who is liable for accidents; that is a matter for the courts. So even though I think AXA should have handled matters better, I can't say Mr C wasn't at fault for the accident. And so, I can't reasonably ask AXA, at this stage, to treat Mr C's claim as non-fault, or refund him any premium he's paid.

I say this because it's clear from AXA's file that the TP was disputing liability. Unfortunately, where that is the case, a claim can take many months to progress. I can't reasonably say, from what I've seen, that had AXA pursued matters more efficiently, that the claim would have been resolved, in favour of Mr C, by the time he says his policy was due for renewal in October 2023.

Mr C thinks it would have been. He considers the evidence he has, shows him not to be at fault. But the TP might have provided their own evidence in dispute, or the TP insurer might still have defended matters. I've also considered that when AXA did pursue the CCTV footage in October 2023, it didn't receive any response to its request. It's possible that was because of the time that had lapsed, but it's also possible there was another reason for that and that an earlier request still would have resulted in the same outcome – it not being provided.

So taking all of the above into account, I can't say that AXA's failure to progress matters was the only reason Mr C paid an increased premium at renewal. As such, at this stage I don't think it needs to take any further action.

AXA has said, when the claim is concluded, if it is recorded as non-fault, that it will recalculate Mr C's premium. This is what I'd expect it to do. But as the claim isn't concluded, it can't yet do this. I would expect AXA is efficiently progressing matters now, bearing in mind its earlier shortcomings. But as set out above, I can't consider anything beyond 13 December 2023 as part of this complaint.

My final decision

My final decision is that AXA Insurance UK Plc has made a fair offer to resolve this complaint, so if it hasn't done so already, it will need to pay Mr C £450 compensation, less any amount already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 September 2024.

Michelle Henderson
Ombudsman