

## The complaint

A limited company, which I will refer to as S, complains about the handling of its commercial motor insurance complaint by AXA Insurance UK Plc.

## What happened

The following is intended only as a brief summary of events. Additionally, whilst S is represented by one of its directors who has acted on its behalf throughout, for the sake of simplicity, I will just refer to S and AXA.

S operates as a plumbing company and held a van insurance policy underwritten by AXA. In November 2022, S's van was involved in an accident. The accident has ultimately been considered a non-fault accident, albeit it took some time for AXA to recover the claim costs from the third party.

As a result of the accident, S's van needed repairs. The van was collected by AXA's approved repairer, and S was provided with an alternate for the duration of the works. Unfortunately, S's van was returned without the repairs being satisfactorily completed. And the van had to be returned to the repairer for rectification of these issues. This pattern repeated itself several times more.

S complained about this sequence of events, and AXA issued a number of final responses as the situation developed. AXA accepted that its repairer ought to have completed the works appropriately the first time around, and that S had suffered inconvenience as a result. In total AXA offered S £550 compensation for the inconvenience caused, along with £150 for S's loss of earnings, and £25 as a further goodwill gesture; a total sum of £725.

At the start of September 2023, S advised AXA that the third attempt to complete the works had still not achieved satisfactory repairs. AXA arranged for an expert to determine what works were still required. £100 of the above total offered by AXA was to address the delay in this fourth attempt to complete the repair works. As these works remained outstanding, S's referred its complaint to the Ombudsman Service.

Our Investigator focussed on the situation at the time, and whether the £100 redress offered in relation to the fourth repairs was appropriate. She issued her view in March 2024, and thought that the fact this fourth attempt to complete the works had not been carried out meant that S had suffered further inconvenience. But she was not satisfied S had demonstrated that it had suffered a loss of earnings as a result of the situation.

So, our Investigator said that AXA should allow S to use its own repairer to complete the works that AXA's expert had confirmed were required, and to cover the costs of this. She also said AXA should arrange and pay for a hire vehicle for S to use whilst these repairs were carried out. And that AXA should pay S a further £350 compensation (in addition to the above) for the delays and inconvenience caused.

AXA ultimately accepted this recommendation, and the van has been passed to S's repairer for the necessary repairs. I understand there may be some issues with these repairs being

completed though.

S did not however agree with the level of compensation offered. It referred to a letter from its accountant that detailed its loss of earnings as being far in excess of this. S felt that the least AXA could do was to provide a year's worth of insurance without charge.

As our Investigator was unable to resolve this complaint, it has been passed to me for a 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 have come to the same outcome as our Investigator. I'll explain why.

I will firstly note that the above summary does not include some of the other issues that arose during the course of S's claim. These include things like the impact on S's no claims discount for the duration of the claim. However, as these points have already been resolved, I have focussed on what I consider to be the key issue. This can be summarised as determining the appropriate level of compensation for S due to the issues AXA, or its agents, have caused.

It isn't disputed by AXA that the repairs ought to have been carried out appropriately the first time, and certainly that this should not have taken multiple attempts. It also isn't disputed that S had to wait too long for the fourth repairs to commence.

In terms of the impact of this, I am limited to looking at this in respect of S itself. As a limited company, S has its own legal identity. And it is S, rather than its directors, who are the customer of AXA and hence the complainant in this case. So, whilst I note and am sorry to hear of the direct impact this situation has had on S's directors, I am unable to take this impact into account.

S itself was no doubt impacted by the situation though. Whilst S did have access to a vehicle that was (temporary problems with replacements aside) suitable for its needs, its employees had to spend time and effort in changing the vehicles over multiple times throughout the course of this claim. Additionally, at least one of the replacement vehicles provided by AXA's agent during the period this complaint is concerned with, had issues that needed to be rectified. This will have taken time for S and its employee to deal with.

As would having to chase for responses and generally try to progress matters; which was at times evidently difficult. S was also unable to appropriately plan its activities whilst waiting for AXA to confirm that the fourth attempt at repair would be authorised. So, it is evident that there was level of inconvenience that ought to have been avoided, and that AXA is ultimately responsible for causing.

S has, with the assistance of its accountant, argued that it should be compensated, for the hours of inconvenience caused, to the level of what it was capable of earning during this time. However, S has also said that it didn't actually suffer this financial loss. And instead, its employee/director worked longer hours. I do appreciate that this will have had an impact on S's director. However, as I have said above, I am unable to consider this impact directly. And it does not appear that S itself suffered financially as a result of this situation.

This decision focusses on the impact on S in terms of waiting for the fourth attempt to repair the vehicle. But I have borne in mind both the events that led up to this, and the

compensation AXA has offered in relation to those. Whilst I am not making a finding on those specifically, they form part of the background to the current circumstances. Prior to the issues with authorising and arranging the fourth repair, S had been through a number of repairs and replacement vehicles. But AXA had offered it compensation of £625.

In terms of the issues with getting the fourth repair agreed, AXA offered £100. I agree with our Investigator that, given the previous issues and that this was an ongoing situation, this is not sufficient. However, I do also agree that an additional £350 is appropriate. I appreciate S does not agree with this, but I am not persuaded that it has shown it suffered any direct financial losses that need to be compensated. And as a limited company it is unable to suffer distress caused by the situation. So, a total of £450 compensation for the inconvenience caused here is fair and reasonable.

### **Putting things right**

In addition to the compensation already offered, including the £100 offered for the issues with the fourth repair, AXA should pay S £350.

### **My final decision**

My final decision is that I uphold this complaint. AXA Insurance UK Plc should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 14 October 2024.

Sam Thomas  
**Ombudsman**