

The complaint

Miss L complains about how AXA Insurance UK Plc handled a claim on her motor insurance.

What happened

Miss L had a motor insurance policy with AXA. In December 2023 she was involved in a minor road accident. She reported this to AXA. AXA instructed its approved repairer (referred to in my decision as 'C') to assess the damage to Miss L's car.

C carried out a desk-based review of the accident, Miss L's car, and the car's valuation. Having done so, it estimated repairs at £1,820.22, including VAT. It valued her car at £2,570. AXA said this meant her car was beyond economic repair (BER). Miss L complained about this, as well as AXA's proposal to split liability for the accident with the third party's insurer.

AXA didn't uphold the complaint. It explained that:

- C wouldn't normally carry out a physical inspection of the car at this stage. Instead it would rely on the accident description, photos, and the pre-accident value of Miss L's car to decide whether it was BER.
- It deemed her car a total loss because the estimated repair costs were more than 60% of the value of her car.
- If Miss L wanted, C would physically inspect the car to assess damage.
- Alternatively, she could have her own repairer provide a quote. This would have to be approved by AXA's engineer and an additional policy excess would apply.
- Miss L could also dispute C's valuation of her car.
- It said it "*would be very hard to prove liability without further evidence.*" It thought a 50/50 split liability was "*the best option*" without any other evidence showing who was at fault.

Miss L didn't accept this and complained to this service. She says, in summary:

- AXA failed to investigate her accident, didn't send anyone to examine her car or the accident scene, and failed to obtain the police report.
- It tried to write off her car despite the only damage being minor scratches around the rear driver-side wheel arch.
- It failed to establish liability for the accident and left the claim open for nine months. This led to a significant increase in her renewal premium.
- AXA failed to adequately defend her despite her evidence showing the other driver was at fault.

Our investigator didn't recommend that the complaint should be upheld, for the following reasons:

- He was satisfied that, given the evidence, AXA's proposal to split liability for the accident with the third party's insurer was reasonable.

- He didn't think AXA getting the police report would have affected this decision.
- AXA proposed closing the claim as 'information only'. This would be the same as if it had recorded the accident as 'no fault'.
- AXA also confirmed Miss L's no claims discount wouldn't be affected.
- He accepted C's estimate for damages and found AXA's decision to declare the car BER was consistent with its policy not to repair where this would cost more than 60% of the car's value.
- AXA had offered to physically inspect Miss L's car when she disagreed with its initial assessment.
- He thought AXA had handled the claim fairly.

Miss L didn't accept this, so the complaint was passed to me to make 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.

Having done so, I'm not going to uphold the complaint, for broadly the same reasons as our investigator.

As our investigator explained, under the terms and conditions of Miss L's policy, AXA can take over, defend, or settle a claim as it sees fit (page 46, '*General Conditions*'). This is common in car insurance policies and AXA doesn't need Miss L to agree this. This also means AXA can make a decision Miss L doesn't agree with. If it does, I can decide if that decision was fair and reasonable.

AXA accepts that Miss L told its call handler that police were called to the accident when she reported it in December 2023. Her 8 January 2024 email to AXA said she'd already provided the police incident number. An internal note on 14 February raised an action to "*Get police report*", but I found no evidence that AXA ever followed this up.

AXA told us that the police were only called due to the other driver's aggressive behaviour, so the police report wouldn't have helped establish fault. I don't think that's a reasonable argument. It implies AXA wouldn't ever ask for a police report unless an officer witnessed an accident. That's clearly going to be very rare. And without reviewing the police report AXA can only guess that it wouldn't help its liability decision. I don't see any reason why AXA shouldn't ask for the police report. I think it should have made more of an effort to get this.

AXA's notes show it knew the other driver may have dashcam footage. An undated email suggests the third party's insurer confirmed footage existed. However, it wasn't ever provided and I accept that AXA can't compel the other driver to provide it. For the avoidance of doubt, I don't think the other driver's failure to provide this footage is enough to prove liability.

I don't agree with Miss L that AXA should have appointed a crash investigator. This isn't normally necessary for minor accidents. In this case, the details were set out clearly in Miss L's accident report form, and her photos showed the position of both cars following the collision. I don't see what more an investigator might have discovered by attending the crash scene.

The other driver blamed Miss L for the accident. I believe he argued that he was stationary when the vehicles collided. I agree with AXA that Miss L's photos "*don't show conclusively which driver is at fault*". Given the lack of witnesses or CCTV footage, I think AXA's argument that it would have been difficult to prove the other driver was at fault is fair, and I

think its initial decision to split liability was reasonable.

More importantly, I don't think Miss L suffered any loss. Neither Miss L nor the third party's insurer pursued a claim, so AXA recorded the accident as 'information only'. As AXA explained: "*For the purposes of your premium, this has the same effect as settling the claim as a non-fault incident as both in the case of non-fault/information only, the no claims discount is not affected*".

I think AXA's decision to close the claim as 'information only' was fair. I'm satisfied that this has the same effect as recording the accident as not Miss L's fault. If the open claim affected Miss L's renewal premium, AXA should recalculate this if it hasn't already done so.

AXA declared Miss L's car a total loss, also called "*Beyond Economic Repair*" (BER). It explained that cars were deemed BER if repairs cost more than 60% of the car's market value.

Section A of the policy booklet says: "*If the damage to your car can be repaired, we will use one of our approved repairers to repair it.*" The booklet doesn't define BER, and the 60% threshold is only mentioned in relation to new cars. Miss L's car wasn't new, so I'm not persuaded that AXA's interpretation of the policy is justified. However, I don't think I need to make a finding on this point to make a decision on Miss L's complaint.

Miss L told us she doesn't dispute C's valuation of her car. However, she says C's estimate for repairs was "*massively over-stated*". I find it difficult to understand how C assessed this, particularly because Miss L's photos don't show very much damage. C's report quoted the cost of replacement parts at £131.80, paint/materials at £530.56, labour at £689.85, and a "*specialist*" cost of £162. The report doesn't break down these costs further, so I've got no clear idea how they were calculated.

Miss L told us a local mechanic fixed her car for £500. She said only £100 of this was related to damage from the accident, so the true cost of repairs was "*3.7% of the value of the vehicle*". I think this is a fair summary and I agree with Miss L that C's estimate was overstated.

However, AXA offered to inspect the damage when she challenged this. It also suggested she get her own quote for repairs. An internal note on 8 January showed Miss L told AXA her local mechanic could repair her car for "*around £200*". So I'm satisfied that AXA was prepared to discuss C's initial estimate.

But again, I don't think Miss L suffered any loss. Her policy excess was £450. An additional £200 excess would have been applied because she used a non-approved repairer. The total excess was much higher than her garage's estimate so it wouldn't have been in Miss L's interest to make a claim on her policy. The only reason it might have been in her interest was if the third party's insurer accepted liability. AXA's notes show that in these circumstances the excess "*will be waived or reimbursed*". But, for the reasons I set out above, the issue of liability wasn't clear. AXA's records suggest the third party's insurer wouldn't have accepted this, and I think the most likely outcome would have been shared liability.

In summary, I don't think AXA's handling of the claim was entirely satisfactory. And I don't think C's initial estimate for repairs was accurate. However, I don't think a better investigation/estimate would have led to a different outcome and I'm satisfied that Miss L hasn't suffered any financial loss. It follows that I don't uphold the complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 24 February 2025.

Simon Begley
Ombudsman