

The complaint

Ms H has complained about the way AXA Insurance UK Plc handled a claim made against her car insurance policy.

What happened

In August 2024 Ms H was involved in an incident with a third party vehicle (TPV). The TP made a claim to AXA for their damage. The timing of the incident and claim coincided with the renewal of Ms H's policy with AXA.

AXA agreed to settle the claim on a joint liability basis, so 50% 50%.

Ms H raised a series of complaints with AXA. In summary she said AXA failed to obtain CCTV footage which she says would have shown she wasn't at fault for the incident. She had concerns about the damage claimed for by the TP. Ms H is unhappy with the impact the claim had on her insurance premium and her No Claims Discount (NCD).

Over two final responses, AXA didn't uphold Ms H's complaints. So she asked us to look at her complaints.

One of our Investigators didn't recommend the complaints should be upheld. He thought AXA had acted reasonably and line with the policy.

Ms H doesn't agree and wants an ombudsman to decide. She says AXA should have requested the CCTV footage from the police – and if it wasn't going to do this it should have told Ms H so that she had the opportunity to request it from the police instead. AXA's claims department didn't update its policy department in a reasonable period of time, which led to AXA asking Ms H for an additional premium around five months after the claim. Ms H is unhappy that the claim is still open and still impacting on Ms H's premium.

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.

The circumstances of the incident are that both parties were carrying out a reversing manoeuvre in and out of respective parking spaces. As they did, they collided.

Both parties say the other party was at fault for the incident. AXA considered the available evidence and decided that both accounts were plausible. And so on this basis, it moved to settle the claim on a joint liability basis, so 50% 50%.

AXA contacted the owner of the location of the incident to request CCTV footage. But the owner said it would only provide this information to the police. As the police were not involved in the incident, I don't find it unreasonable for AXA not to have contacted the police to obtain a copy of any available CCTV footage. It is very unlikely that this request – either from AXA or Ms H – would have led to footage becoming available.

So I've looked at the remaining information available. Based on this, I think AXA reached its decision to settle the claim as it has in a fair and reasonable way. As the Investigator explained, Ms H's policy with AXA has a very common term which most – if not all motor insurers include. This term says AXA can take over the defence and settlement of a claim in

Ms H's name. This means it might make a decision Ms H disagrees with, but the policy allows AXA to decide. We don't disagree with this term in principle provided an insurer can show it treated a customer fairly when applying it. I'm satisfied AXA treated Ms H fairly here.

As a claim was made against Ms H's policy, this has had an impact on her premium. This isn't unusual. Where an insurer is unable to recover all of its claim costs from a third party, an insurer will record a claim as a fault claim. So even if the claim is settled on a partial fault basis, the outcome in how it is recorded is the same. And while a claim is open, an insurer in line with industry procedure, records an open claim as a fault claim until settled. This means that even if the claim is still open, the impact is no different for Ms H's premiums. The Investigator set out the policy wording in his view which explains what will happen in the event of a claim, the possible impact on premiums and on a customer's NCD, and where a claim is received around the time of renewal. Having seen AXA's underwriting premium information (which as the Investigator explained is commercially sensitive information so cannot be shared), I'm satisfied AXA acted in line with the policy terms and conditions here and treated Ms H fairly when applying an increase.

I understand Ms H's concerns as to the damage claimed by the TP. But from the engineer report available, the damage is consistent with the incident circumstances. And so I can't say AXA acted unreasonably in agreeing to meet 50% of the TP damage costs.

I agree that it wasn't reasonable for AXA to take around five months to contact Ms H to request an additional premium in relation to the incident. I've considered what would have happened differently if AXA had requested the additional premium sooner. It's possible that Ms H would have shopped around a week after the renewal date (the date the incident was reported to AXA) and it's possible she may have obtained a cheaper premium elsewhere, and cancelled her policy with AXA within the cooling off period.

However, from discussions between Ms H and the Investigator, I understand Ms H believed that because she didn't claim for damage to her car, she didn't need to declare the incident. So I'm not persuaded that Ms H would have looked for an alternative policy including the open claim at the time. And AXA didn't ask Ms H to pay the additional premium until around five months after it was due. So overall I can't say the impact of AXA's delay in requesting the additional premium due to the claim warrants compensation due to its impact.

That doesn't mean I don't think receiving a letter asking for an additional premium in the way AXA did – by way of a cancellation notice letter – caused Ms H some shock. But taking everything into account, I don't think AXA needs to do anything further.

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 H to accept or reject my decision before 8 April 2025.

Geraldine Newbold
Ombudsman