

## **The complaint**

Mr J is complaining on behalf of J, a company, that AXA Insurance UK Plc (AXA) unfairly declined to offer J a commercial van insurance policy because of his age. He believes this amounts to unlawful discrimination and says AXA is in breach of the Equality Act 2010 (the Act).

## **What happened**

Mr J attempted to apply online for a new commercial van insurance policy with AXA. When he entered his date of birth, the system automatically declined the application and wouldn't allow him to proceed further. Mr J later obtained insurance from another provider, but at a higher cost and without the discounts he would usually receive through membership benefits.

AXA confirmed to Mr J that his age was the primary factor in not offering J an insurance policy. Mr J feels AXA has discriminated against him because of his age and that it is in breach of the Act. AXA disagrees. It says it's entitled to make a commercial decision to apply an age limit to the policy based on its risk appetite. AXA says its research shows that age can materially influence the likelihood as well as the cost of a claim. AXA doesn't believe it is in breach of the Act.

Our Investigator looked into the complaint. Her initial findings were that AXA hadn't demonstrated it had carried out a risk assessment. Following further correspondence with AXA, she felt AXA's decision was consistent with its underwriting rules and with what is permitted under the Act. The Investigator therefore concluded that AXA had acted fairly and reasonably in declining cover, and she did not uphold the complaint.

Mr J did not agree with this view and asked for an ombudsman to review the case.

I sent an email to AXA on 18 September 2025, explaining that I was minded to uphold Mr J's complaint. In summary, I explained that under the Act, it's unlawful for an insurance provider to discriminate based on age unless specific exemptions apply. Schedule 3 of the Act allows insurers to use age as a factor but only if its assessment is based on relevant, reliable information and not stereotypes or generalisations.

Based on the information provided by AXA, I wasn't satisfied it had demonstrated that it carried out a proper, evidence-based risk assessment. The information AXA provided was generic and didn't show how it specifically analysed or interpreted the data to reach its decision, even though this was requested numerous times by our Investigator. Overall, I wasn't persuaded AXA had acted fairly or reasonably and said I was minded to uphold the complaint and require AXA to pay £300 compensation for the inconvenience caused. AXA didn't reply to my email.

## **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 upholding Mr J's complaint. I'll explain why.

It's clear and quite understandable why Mr J feels strongly about this matter. He has provided detailed submissions to support the complaint. I've read through all this carefully and taken it all into consideration when making my decision, but I won't comment on it all. I will concentrate on what I think is the central issue in this case, that is whether AXA acted fairly and reasonably in declining cover due to Mr J's age.

I'll start by clarifying that my role is different from that of a court. It is for the courts to decide whether a business has acted unlawfully and breached the Act. The Financial Ombudsman Service cannot make legal findings of discrimination. Instead, my role is to decide what is fair and reasonable in all the circumstances of the complaint, while taking into account relevant law and good industry practise. As the Act is relevant here, I've taken it into account when deciding what's fair and reasonable in this case.

Mr J says AXA has discriminated on the grounds of age and that it is in breach of the Act. AXA disagrees. It says it's entitled to make a commercial decision to apply an age limit to the policy based on its risk appetite. AXA also says its research shows the risk of someone making a claim on their motor insurance policy increases with age. In support of this, AXA provided a link to two online sources which review the impact of age on motor claims, including the frequency, cost and severity.

I recognise Mr J would like AXA, and other insurers who take age into account when setting their risk appetite, to review their criteria and assess each customer's risk individually. However, it's not my role to tell AXA what risk it should cover. AXA must act honestly, fairly and professionally with its customers' best interest in mind. Generally, insurers can decide which risk to cover and on what terms, as long as they can show they are acting fairly and treating customers in similar circumstances consistently.

The Act generally makes it unlawful for businesses to discriminate against someone because of a protected characteristic such as age. However, it includes a specific exemption for financial services, such as insurers, under Schedule 3 of the Act. In summary, the exemption says an insurer can use age as a factor in designing, pricing, and offering its insurance products, provided that they carry out a risk assessment involving age, and that it's based on relevant information from a source it's reasonable to rely on. In order for an insurer to justify different treatment arising from age it must show it has a legitimate aim in mind when taking the action complained of and that the action is a proportionate means of achieving that legitimate aim.

I'm satisfied that AXA has been given numerous opportunities, both by the Investigator and myself, to provide evidence to show that it's treated J fairly in line with the Act, but AXA has failed to provide it. I'm therefore making a decision based on the evidence currently available to me. And our rules, allow me to make that decision. In particular DISP 3.5.14 which says:

If a respondent fails to comply with a time limit, the Ombudsman may:

- (1) proceed with consideration of the complaint; and
- (2) include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make.

Having reviewed the information provided by AXA, I'm not currently satisfied that it has shown it treated J fairly and reasonably when declining to offer cover. Despite several

requests, AXA has not shown how it carried out a risk assessment in this case. Instead, it provided links to two online sources discussing the general impact of age on motor insurance claims, including their cost and severity. This information is too general and doesn't show how AXA assessed the specific risk in Mr J's situation or how this informed its decision to decline cover. It also doesn't demonstrate that AXA took proportionate steps to achieve a legitimate aim.

For the reasons I've explained, I don't think AXA has demonstrated that it treated J fairly and reasonably in declining cover in this case as a result of its failure to provide an explanation around the data and or its approach to the risks highlighted in it.

Following AXA's refusal to provide J with cover, it took out a policy with another provider. As J no longer needs cover, I think it would be fair and reasonable for AXA to pay J £300 compensation in recognition of the inconvenience caused by this matter.

### **My final decision**

My final decision is that I'm upholding this complaint and require AXA Insurance UK Plc to pay J £300 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 11 November 2025.

Ankita Patel  
**Ombudsman**