

The complaint

Mr A complains AXA Insurance UK Plc trading as Moja declined to continue his motor insurance policy as an existing customer following a change of vehicle, and accepted cover as a new business customer only when Mr A changed his date of birth on the application.

Mrs A is representing Mr A for his complaint. For ease of reference, I have referred to Mr A throughout this final decision.

What happened

Mr A took out a policy with AXA in September 2024. In November 2024, Mr A's vehicle was involved in an incident. Mr A attempted to change the insured vehicle on his policy but AXA said it couldn't continue to offer Mr A insurance for the change of vehicle on his policy.

Because of this, AXA said it would refund Mr A the remaining premiums on his policy calculated from November 2024 and waive the cancellation fee of £52.50. AXA also confirmed Mr A wouldn't need to declare the cancellation to future insurers as the policy cancellation happened because of AXA's underwriting criteria and risk assessment following the change of vehicle.

Mr A attempted to purchase insurance online with AXA as a new business customer. Mr A tried to apply for insurance using his own date of birth but this was rejected. However, when Mr A applied using another date of birth, with all other details the same, his application was accepted.

Mr A complained to AXA about its refusal to continue offering insurance following the change of vehicle on his existing policy and refusing to offer insurance to Mr A as a new business customer using his own date of birth.

AXA investigated Mr A's concerns. AXA said the decision to decline cover following the change of vehicle was fair and in line with its underwriting guidelines. It said the actions taken in response to the cancellation were reasonable and didn't offer to do anything more. AXA said changing the date of birth would alter its risk assessment and it wasn't able to share any further information on why insurance was declined as a new business customer as this information is commercially sensitive.

Unhappy with AXA's response, Mr A referred his complaint to the Financial Ombudsman Service. AXA accepted that its communication with Mr A about the reason for the discrepancy between insurance being offered as an existing customer and new business customer could've been clearer. Because of this, AXA offered Mr A £100 compensation in recognition of its poor explanation and the impact on Mr A.

The Investigator reviewed the complaint and said AXA's offer to put things right was reasonable and in line with what we'd recommend in the circumstances. The Investigator didn't ask AXA to do anything more in settlement of the complaint.

Mr A rejected the Investigator's findings, saying (amongst other things) '*If... we had got a policy with Mojo with the correct date of birth, we would definitely have taken out that policy at that time... There is therefore absolutely an issue associated with my husband's date of birth and his name, which associates the request for insurance with him and means Mojo will not provide him personally with cover.*'

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 agree with the Investigator's findings and outcome on Mr A's complaint. I understand Mr A will be disappointed by this but I'll explain why I have made this decision. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Change of vehicle

The role of this service when looking at complaints about insurance pricing isn't to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a customer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably.

I think it's important to mention here, it's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium – but rather, it reflects the different approach they've decided to take to risk.

AXA say that when Mr A contacted it to change his car on the policy, it was using one system for risk rating changes to existing policies and a different system at the same time for risk rating new quotes, and that this was a business necessity and usual in the industry.

AXA was not taking advantage of a system transition period to charge Mr A more than other existing customers. AXA was commercially entitled to use different rating processes for changes to existing policies, and for new policies, and it has shown us its underwriting criteria showing what factors it considered in assessing new risk for existing customers who wanted to change the terms of their policy. So, it has shown us that it treated Mr A fairly, in line with its underwriting criteria, the same as it would've done any other existing customer changing his policy in the same circumstances.

AXA also agreed to refund Mr A the remaining premiums on his policy calculated from November 2024 and waive the cancellation fee of £52.50. AXA confirmed Mr A wouldn't need to declare the cancellation to future insurers as the policy cancellation happened because of AXA's underwriting criteria and risk assessment following the change of vehicle. These actions were reasonable and in line with what we'd expect in the circumstances. I realise it will be disappointing to Mr A, but I don't require AXA to do anything else.

Insurance for a new business customer

Mr A has provided ample examples of attempting to purchase insurance online with AXA and says that several applications using a different date of birth were accepted, but applications made using the same details but his own date of birth were declined. Mr A feels

strongly that the reason for the decline decision is because of a personal rejection by AXA of him as a customer and feels this is discriminatory and unfair.

I recognise Mr A's strength in feeling about this complaint. As part of my assessment, I asked AXA to provide a summary of accepted and rejected quotes received by AXA using different data provided by Mr A as part of his application.

From review of this evidence, I accept Mr A's point about the declined applications corresponding to Mr A's correct date of birth. But I've also seen that in these applications Mr A has declared a non-fault claim from November 2024. I can see why Mr A did this. As far as Mr A was concerned, his claim from November 2024 was non-fault.

However, the claim was still showing on The Claims and Underwriting Exchange (CUE) as an open claim. It's usual for insurers to cross reference any information provided in an insurance quote application with external databases to verify its accuracy.

In this case, although it's likely Mr A entered the information about his November 2024 claim to the best of his knowledge, CUE interpreted this as being incorrect against Mr A's date of birth because of the claim still being open, and therefore technically a fault claim. This interpretation is common within the insurance industry- when a motor claim hasn't been closed it would be classed as an open fault claim on CUE. So, although disappointing for Mr A, it's reasonable that the applications using Mr A's correct date of birth were declined because of the CUE data mismatch.

But I think AXA's explanation around why Mr A's applications were being declined, has been largely poor. I've seen several complaints were raised with AXA about Mr A being confused by the rejected applications based on his date of birth. I think more should've been done to fully understand Mr A's concerns and the reasons for his dissatisfaction with AXA's explanations. I think earlier and clearer communication might've avoided some of the distress and inconvenience caused to Mr A in his interactions with AXA.

I've seen that AXA has acknowledged its service has been poor in parts, especially surrounding the communication with Mr A. I've considered the offer made of £100 in recognition of the distress and inconvenience caused to Mr A by its poor communication. And I'm overall persuaded this amount is fair and reasonable.

I say this because there isn't enough evidence to say what impact AXA's service has had more broadly on Mr A. I accept Mr A's applications were declined, and that caused some upset. But the process of taking out insurance can be stressful by its very nature- involving phone calls and seeking clarification. And Mr A was ultimately able to take out another insurance policy that met his demands and needs.

In awarding payment for distress and inconvenience I've also considered AXA's overall actions in response to the cancellation of Mr A's original policy, and its decision not to offer continuation of cover. This is where Mr A's complaint stemmed from. And I'm satisfied AXA's decision not to offer continuation of cover following the change of vehicle is fair for the reasons explained.

The applications were declined because of the mismatch of information on CUE. But I haven't seen any evidence to hold AXA responsible for how the claim was recorded with CUE. I'm also unable to say Mr A would've acted differently if insurance had been offered by AXA- as he may've still chosen to use another provider based on his demands and needs and how competitive the quotes were. AXA could've been clearer with Mr A, but all things considered, I'm satisfied the compensation of £100 is reasonable and in line with what I'd direct in the circumstances. It is for Mr A to decide whether he wants to accept this.

My final decision

I've decided to uphold this complaint. AXA Insurance Company (Europe) Limited will need to put things right by paying Mr A £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 October 2025.

Neeta Karelia
Ombudsman