

## The complaint

Mr R complains about how AXA Insurance UK Plc (AXA) has handled a claim on his motor insurance policy.

## What happened

Mr R was involved in an accident with a third-party vehicle in August 2022. When Mr R reported the accident to AXA, who he held a motor insurance policy with, Mr R thought he wasn't at fault for the accident.

Although AXA initially maintained a denial of liability, in May 2024 AXA decided to settle the third-party claim on a 50/50 split liability basis.

Mr R was unhappy with AXA's liability decision. He made a complaint to AXA as he felt the accident wasn't his fault. In response AXA didn't change its decision. It did however say it had exceeded its complaint timescales and therefore awarded Mr R £25 as a goodwill gesture for any inconvenience experienced by him.

Dissatisfied with AXA's response Mr R brought his complaint to this Service.

I issued a provisional decision in June 2025. I said:-

*"My role isn't to consider who was responsible for the accident. It's to look at whether AXA has carried out a fair investigation, reviewed all the evidence it has available and reached a reasonable decision."*

### Policy Terms and Conditions

*To start, I think it would be helpful to provide a section from Mr R's policy terms and conditions to understand what AXA is allowed to do.*

*At page 10 of Mr R's policy terms and conditions booklet, AXA is allowed like other motor insurance policies to:-*

*"We will*

*have the right to take over and deal with the defence or settlement of any claim in the name of the person making a claim under this policy..."*

*The conditions of Mr R's policy therefore allow AXA to settle the claim on the best terms it felt possible and that it has the final say in how to settle a claim. It doesn't need the agreement or consent of the policyholder, in this case Mr R, to settle a claim in a particular way. Naturally this may lead to AXA making a decision which Mr R doesn't agree with. But that said, it doesn't mean AXA can do as it pleases when settling a claim. Its decision must be reasonable and based on facts and evidence.*

### Fault, Non Fault and CUE Database

*I would also like to clarify the meaning of the terms “fault and non-fault”.*

*A “fault” claim is more colloquially used, but the actual terminology is “no claims bonus disallowed”. It doesn’t mean the policyholder is necessarily to blame for the accident but reflects the fact where a claim has been made and the insurer hasn’t recovered its outlay. An Insurer will be required to register the claim following the Claims and Underwriting Exchange (“CUE”) guidance. When recording the claim, the insurer can select bonus disallowed. This doesn’t mean the policyholder was to blame; it simply means the insurer has been unable to recover all its costs in full from another party.*

*When liaising with customers, rather than use the term bonus disallowed, insurers will often say “fault”. Use of this term can make the policyholder think they were the party to blame for the accident, rather than the correct scenario of an insurer being unable to recover all its costs.*

*In the alternative, a “non-fault” claim means “no claims bonus allowed”. This will be where an insurer has been able to recover its costs in full from another party.*

*I therefore hope the above explanation will give some greater understanding when reading the sections below where these terms may be discussed.*

### *Decision to Settle*

*I understand Mr R feels strongly that he wasn’t at fault for the collision with the third-party. As stated above, it’s not for me to decide who was responsible for the accident, but whether AXA has taken Mr R’s comments and all other evidence into consideration when deciding whether to concede liability or not.*

*I’ve seen from the available evidence Mr R has described how he believes the collision occurred. He says he and the third party were travelling in opposite directions, with parked cars on one side of the road. The third-party pulled behind a parked vehicle at an angle and in doing so Mr R says the third-party hit the kerb which ‘bounced’ him into Mr R’s vehicle. Mr R says at the time he didn’t feel any movement or hear anything. But he contends that if he had hit the third-party vehicle, the damage to his vehicle would’ve been to the front end as opposed to a small ‘dint’ in his driver’s door. Mr R describes the damage to the third-party’s vehicle being to the offside rear wheelarch.*

*I appreciate that this is Mr R’s recollection and I’m not attempting to change his mind. But AXA weren’t witness to the accident either, so it too can’t say for certain what happened and therefore it has to base its liability decision on all the available evidence.*

*From AXA’s case notes I note a denial of liability was initially maintained but liability was also disputed by the third-party insurer.*

*In this case there are two differing versions of events with no independent witnesses to support either one. There is no dashcam footage from either vehicle to show the events at the time, nor is there any other footage such as CCTV. AXA has said when determining whether to proceed with a matter to court, it must find that it has reasonable prospects of success. I’ve seen from the available evidence AXA were in receipt of a map of the location and photographs of the damage to Mr R’s vehicle. AXA were also in receipt of the third-party’s accident report form and photographs of the damage to the third-party vehicle.*

*AXA when reaching its liability decision has noted the absence of any independent witnesses to support either party’s version of events and the lack of dashcam or CCTV*

*footage. Within AXA's case notes it also references the damage to the party's vehicles, noting that this didn't assist with liability.*

*Based on everything I've seen, I think AXA followed a fair and reasonable process in assessing whether to deal with the third-party's claim on a 50/50 split liability basis. AXA utilised the terms it was afforded under page 10 of the policy terms and conditions booklet (referenced above) as it's entitled to do.*

*I've also seen from the available evidence Mr R's claim has been closed. As the claim has been closed and Mr R didn't pursue a claim for any damage to his vehicle the claim will likely have been registered as a fault/bonus disallowed claim on the CUE database as AXA had no outlay to pursue. Therefore, going forwards Mr R may continue to see an impact to his policy premiums.*

*I appreciate that Mr R will be disappointed, but I don't require AXA to do anything further in this respect.*

### Loss of Value of Vehicle

*Mr R says following the accident with the third-party he sold his car at a loss of £500.*

*From the available evidence I've seen Mr R didn't pursue a claim for damage to his vehicle via AXA nor has he provided any evidence in support of his purported loss. I therefore don't find AXA are required to do anything in this respect".*

Within my provisional decision I said I didn't intend to uphold Mr R's complaint.

AXA has responded to my provisional decision confirming its happy with my decision and has nothing further to add. Mr R doesn't accept my provisional decision as his opinion is the damage to both vehicles is inconsistent with the third-party's version of events and AXA's reasoning.

The complaint has therefore been passed back to me for 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.

I've considered Mr R's response to my provisional decision and the information he has provided but I see no reason to reach a different conclusion to the one reached in my provisional decision.

Mr R has said in his response to my provisional decision that it was impossible to hit the third-party where it's alleged he hit them and still be able to continue his journey. He also raises that the third-party has provided no photographs to prove liability.

As I've said within my provisional decision, my role isn't to consider who was responsible for the accident. It's to look at whether AXA has carried out a fair investigation, reviewed all the evidence it has available and reached a reasonable decision.

I therefore refer Mr R to the paragraph entitled decision to settle contained within my provisional decision (as above). I've set out in this paragraph the evidence AXA were in possession of from both parties when it considered liability. And this did include the third-

party's accident report form and photographs of the damage to the third-party's vehicle. In my provisional decision I commented that AXA referenced the damage to the party's vehicles in its case notes and noted this didn't assist with liability. AXA also noted the absence of any independent witnesses to support either party's version of events and lack of dashcam or CCTV footage.

So, I don't uphold the complaint for the reasons I set out in the provisional decision.

### **My final decision**

For the reasons I've set out above, I do not require AXA Insurance UK Plc to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 August 2025.

Lorna Ball  
**Ombudsman**