

The complaint

Mr C complains about how AXA Insurance UK Plc ('AXA') handled a claim made on his car insurance policy.

What happened

Mr C was involved in an accident with another vehicle on 12 October 2024. He reported the incident to AXA on 13 October 2024 saying that the third party vehicle changed lanes colliding with his car.

In January 2025, AXA received an admission of liability from the third party's insurer, but prior to this Mr C complained about various aspects of how it had handled his claim, including:

- There was poor communication throughout, with correspondence not being replied to.
- Although he has legal cover on his policy, the solicitor AXA instructed was too far away from his home and while AXA said it would search for a solicitor closer to his home, it has not done anything more leaving him with outstanding uninsured losses.
- There was a delay in providing him with a replacement vehicle after he made his claim.
- Although he provided dashcam video to AXA at the beginning of the claim, it didn't forward this to the third party insurer which delayed liability being resolved. Mr C says this was ultimately only resolved when he intervened and forwarded the dashcam video directly to the third party insurer.

AXA provided a final response addressing some of Mr C's complaint points on 18 November 2024. It upheld parts of the complaint and compensated Mr C £350. In summary, it said:

- Instead of providing Mr C with a courtesy car, he was offered a vehicle on credit hire, but when he initially called the credit hire provider it was unaware it had been instructed.
- It acknowledged it hadn't responded to Mr C's concerns about the solicitor in a timely manner and said it was now trying to locate solicitor closer to Mr C's home.
- More broadly, it agreed communication throughout the claim was poor with Mr C having to chase for updates and not being responded to at times. It said that several emails had been sent by Mr C to an individual handler and while this handler didn't have ownership of the claim they should still have acknowledged the emails and referred Mr C to the correct email inbox.

On 29 November 2024, AXA provided another final response addressing the communication aspects of the complaint. But it did not uphold this complaint saying it had already explained to Mr C one handler would not take responsibility for his claim and he would need to send correspondence to its shared inbox.

AXA provided a further final response on 4 April 2025 to complaints made by Mr C. This final response addressed his overall claims journey with AXA saying that following the previous resolutions more should have been done to support Mr C and that it had not been timely in its responses. In recognition of this, it compensated Mr C a further £100.

AXA also responded in this final response to a complaint about claim costs and compensation paid being placed on Mr C's Proof of Bonus document saying that these costs needed to be tracked and reported to the Claims and Underwriting Exchange (CUE), but the compensation costs would not be factored into a renewal. However, because it hadn't responded to questions Mr C had raised about the recovery of his excess and other costs in a timely manner, it compensated him £75.

Mr C was dissatisfied with AXA's responses, so he referred his complaint to us. Our investigator found that AXA had responded fairly to the complaint by compensating Mr C £450 and he thought that the delay in resolving liability was due to the third party insurer not responding rather than due to inactivity on the part of AXA.

Mr C disagreed. He said he raised the solicitor issue with AXA in October 2024, but despite saying it was trying to locate a closer solicitor AXA never responded to say if it had found one. Mr C also said under the policy terms he was entitled to compensation for each day he was without a hire car and the hire car provider took several days to provide a suitable vehicle. With regards to the dashcam video, Mr C said he provided this video to AXA on 14 October 2024 but by 6 January 2025 AXA had still not shared this with the third party insurer.

Because Mr C didn't agree, the complaint was referred to me to decide. I issued a provisional decision upholding the complaint, and I said:

"I should start by saying while I've read and considered everything Mr C and AXA have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

For clarity, it may be helpful if I set out here the scope of what I have considered in this decision. I've considered the events up to the date of AXA's final response on 4 April 2025 and I've considered Mr C's complaints about the service provided in relation to a replacement vehicle, his motor legal cover, AXA's handling of liability and the communication issues. For these specific issues, AXA has compensated Mr C £450, and I've considered if that was a fair and reasonable response to these complaint issues.

I am aware there are some other issues Mr C has complained about in relation to this claim. These issues are being charged an additional premium after making a mid-term adjustment to his policy, the claim costs being added to his Proof of Bonus document, and the salvage process following his vehicle being deemed a total loss. These issues have been dealt with as separate complaints by this Service, and so I have not considered them here and make no findings on them in this decision.

I've firstly considered if AXA treated Mr C unfairly in its arrangements for a replacement vehicle after the accident.

I've looked at the policy terms. These say if the car is repaired by one of AXA's approved repairers a courtesy car will be supplied while the insured vehicle is being repaired. However, if the vehicle is found to be a total loss this benefit is limited to a courtesy car only being provided for 14 days. In addition to this the terms say that unless the courtesy car upgrade is purchased, the courtesy car provided will be a one litre, three door petrol manual transmission car.

I've reviewed Mr C's policy schedule, and this shows that he did not take out the courtesy car upgrade option. This means that he only had basic courtesy car cover, and under the policy terms AXA were only required to provide him with a small manual vehicle while his own car was being repaired. And given that Mr C's car ultimately was deemed a total loss, this also means that if a basic courtesy car had been provided to him, he would only have been entitled to keep it for 14 days after it had been delivered to him.

The terms also say that if a courtesy car cannot be arranged, AXA will repay alternative travelling costs up to a maximum of £15 per day. AXA's claim notes show that it initially did instruct a courtesy car for Mr C, but it cancelled this on 15 October 2024 and instead instructed a hire car company after being provided with the correct third party details.

Given that Mr C did not take out the courtesy car upgrade option on his policy, AXA did not cover him for a hire car under the terms of his policy. What it did instead was to offer Mr C the option of credit hire. Credit hire works by the insurer referring its customer to a third party company who provides a hire vehicle on a credit basis. As such, the hire vehicle Mr C received wasn't provided as a benefit of his insurance contract with AXA but instead was provided under a separate credit hire contract between him and the credit hire provider.

Because of this, I can't consider any complaint about the level of service Mr C received from the credit hire provider including the choice of vehicle it offered or delays in providing him a car. Mr C would need to complain directly to the credit hire provider about those issues if he is dissatisfied with the service he received from the credit hire provider.

However, AXA were responsible for the credit hire referral and I can consider its actions in relation to that referral. When making the credit hire referral, AXA needed to treat Mr C fairly including by giving him the option to use credit hire or rely on a basic courtesy car provided under his policy terms, explaining clearly to him how the credit hire would work and the risks involved, and by ensuring the instruction was sent to the credit hire provider if Mr C agreed to use credit hire.

AXA has acknowledged there may have been an issue with the instruction to the credit hire company not being sent through and part of its compensation to Mr C accounted for that. But I don't think Mr C knew he was taking out credit hire instead of being provided a hire vehicle under his policy, and I'm not persuaded AXA has shown it fairly and clearly explained the credit hire referral to Mr C.

If it had done, on balance I think Mr C likely would still have opted to take out the credit hire. I say this because of the limitations of the basic courtesy car cover in his policy including only a small vehicle being provided which Mr C specifically said wasn't suitable for him. So, although I don't think AXA has shown the credit hire referral was clearly explained, on balance I don't think Mr C was prejudiced by this.

So, I find by compensating Mr C for the initial issue with the instruction to the credit hire company, AXA provided a fair and reasonable response to this aspect of the complaint. And I don't find that AXA are required under the policy terms to pay Mr C the £15 a day alternative travel costs given that he would only have been entitled to this benefit if he had

refused credit hire and if upon his car being taken to a garage for repairs a courtesy car was unavailable.

I've next considered if AXA has reasonably dealt with the motor legal query. Mr C's policy schedule shows that he had taken out legal cover and the policy terms say that AXA will pay the costs for recovering uninsured losses and it will appoint one of its panel solicitors, or their agents, to handle the case.

AXA instructed a solicitor for Mr C. So, it hasn't withheld the motor legal benefit from him. But Mr C was unhappy with the distance the solicitors were from his home, and in response AXA said it would try to locate one closer to him.

I can see that Mr C chased AXA for updates on this, but I don't think AXA has shown what attempts it made to find another solicitor, or that it gave Mr C a clear answer on whether it had found another solicitor. It has only compensated Mr C for not responding to his queries about the solicitor in a timely manner. And as such, the key issue remains that Mr C hasn't received the support his motor legal cover would have provided to him to assist in the recovery of his uninsured losses.

It ought not to have taken much time for AXA to check if it had any other panel solicitors closer to where Mr C lived. However, instead the matter became protracted without clear updates or an answer being provided by AXA. And I think the inconvenience this has caused Mr C warrants further compensation. Additionally, as AXA has not shown that it offered Mr C the choice of any other panel solicitor, to resolve the matter I intend to require it to allow Mr C to appoint a non-panel solicitor of his choosing and to cover the cost of this in line with the terms of his motor legal cover.

On review of the claim notes, I can see that AXA noted it had received the dashcam video on 14 October 2024. AXA said that based on the claim being opened in October 2024 and closed on 31 January 2025 it thought this was within the typical timeframe for a claim to remain open. But this alone doesn't mean that the liability aspect of the claim was proactively dealt with. So, I've considered whether AXA has shown there weren't any avoidable delays in its handling of the liability aspect of the claim.

One of the notes in AXA's file says that it shared the dashcam video with the third party insurer on several occasions. But AXA hasn't provided direct evidence showing it did this, or to what extent it chased the third party for an admission of liability. And, Mr C says he provided the dashcam video to the third party insurer directly on 6 January 2025 which was acknowledged and liability admitted the same day. So, on balance, I'm not persuaded AXA has provided enough to show that it proactively pursued the third party for liability and provided it with the dashcam video.

As a result, I think Mr C was inconvenienced by there likely being an avoidable delay in liability being resolved and by having to provide the dashcam video directly to the third party insurer himself. Because of this, I find further compensation is warranted for the distress and inconvenience this caused.

In total, AXA compensated Mr C £450 for the issues which are the subject of this complaint, including a general lack of updates and Mr C not being responded to at times.

But for the reasons I've set out in this decision I think further compensation is warranted for the distress and inconvenience AXA caused Mr C by the poor handling of the motor legal query and the liability aspect of the complaint. And, while I appreciate this amount is less than Mr C was hoping for, having considered the matter carefully, I find that a further £150 compensation would be fair and reasonable as this would bring the total to £600 which I find

to be in line with our award levels for the issues within this complaint and impact those issues caused.”

AXA replied to say it accepted the provisional decision. Mr C replied saying he was agreeable to the compensation amount, and generally in agreement with my findings on the motor legal expense aspect of his complaint. But he provided some additional comments, which in summary were:

- The lack of assistance in AXA providing Mr C with legal expenses cover meant he was forced to pursue the matter himself with the third party insurers including attending at the third party insurer's medical expert for examination and permitting disclosure of his medical records to the third party insurer.
- Due to this, Mr C feels he should be compensated for the administrative work he's had to do to pursue the claim.
- He agreed with AXA that the policy entitled him to a compact car but when the hire car company contacted him on 14 October 2024 it said a compact car wasn't available and it would be unable to provide one until 17 October 2024.
- Ultimately though, he was without any vehicle at all from 13 October 2024 until 17 October 2024, so he thinks under the policy terms he is entitled to the £15 a day benefit.

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 thank Mr C for his comments, but having considered these, I've reached the same conclusion as I did in my provisional decision. I'll explain why.

AXA didn't deny Mr C legal expenses cover, it did appoint a solicitor for him, but Mr C thought they were too far away from where he lived. I don't think that necessarily would have been an issue though, as I've seen nothing showing Mr C was requested to attend the solicitor's office in person, and it wouldn't have been unusual for the solicitor to have simply communicated with Mr C by phone or in writing. So, I think the option was there for Mr C to have used this solicitor to assist him in pursuing his uninsured losses.

AXA set an expectation though that it was trying to source a panel solicitor closer to where Mr C lived, and for the reasons I set out in my provisional decision, I don't think AXA has shown what efforts it made to do this.

I've read Mr C's comments about pursuing the third party directly for his uninsured losses. But I think Mr C chose to do this, rather than being forced into it. Again, AXA didn't refuse his motor legal claim, it accepted the claim but delayed returning to Mr C with updates on whether it had found another solicitor.

I agree Mr C was inconvenienced by the way AXA dealt with this. And I considered the impact of this in my provisional decision when determining the level of redress I thought was fair. But having considered Mr C's comments, I'm not persuaded any more compensation beyond what I set out in my provisional decision is warranted for AXA's handling of the motor legal aspect of the claim.

I've also considered Mr C's comments about the courtesy car. But I still don't agree it was unfair for AXA not to pay the £15 a day benefit for the following reasons:

- This benefit is only applicable where AXA couldn't provide a courtesy car under the policy. That's not the same as a credit hire instruction, which is the route that was pursued here.
- AXA's notes show Mr C was offered a Fiat 500 but he called it on 15 October 2024 to ask for a like for like vehicle instead, which prompted it to instruct credit hire. So, I think Mr C likely was given the option of a small courtesy car but turned this down in favour of credit hire.
- Even if credit hire hadn't been instructed and Mr C had instead just wanted a standard courtesy car under the policy and AXA couldn't provide this, the benefit didn't entitle him to a flat £15 a day if he hadn't been provided a courtesy car. The policy terms say that AXA will repay alternative travelling costs *up to* a maximum of £15 a day. And I don't think Mr C has shown what alternative travel costs he incurred from the date his vehicle was checked into a garage to the date the hire company provided him a vehicle.

Accordingly, having considered Mr C's response, I've decided not to depart from the redress I set out in my provisional decision.

Putting things right

I require AXA to do the following:

- Allow Mr C to appoint a non-panel solicitor of his choosing to assist in the recovery of his uninsured losses and cover the cost of this in line with the terms of his motor legal cover.
- If it has not already done so, pay Mr C the £450 compensation it previously agreed to in its final responses for the issues contained within this complaint.
- Pay Mr C a further £150 compensation for the distress and inconvenience caused by its handling of his claim.

My final decision

My final decision is to uphold this complaint and to require AXA Insurance UK Plc to carry out what I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 August 2025.

Daniel Tinkler
Ombudsman