DRN-5738102

The complaint

Miss F has complained about her car insurer AXA Insurance UK Plc. She thinks it caused delays in handling an accident claim which have impacted the price of two (now possibly three) policy renewals.

What happened

Miss F was involved in an accident on 14 February 2023. Another driver drove into her. AXA accepted a claim she made and settled with her for the damage to her car. It began trying to get the other driver's insurer to accept liability as it was satisfied Miss F was not at fault for the accident.

In June 2023 Miss F's policy was due to renew. Miss F was concerned the matter with the other driver was still unresolved, meaning the claim was still open and showing as fault. That was the same when the policy came for renewal in summer 2024. Miss F complained to AXA about its delays and the impact on her premium. It said it would review the costs once the claim was resolved – but Miss F was concerned about how long the claim was taking and that AXA just seemed to keep delaying matters. AXA subsequently accepted it had not provided an efficient service – but it made no offer in resolution.

Following Miss F complaining to the Financial Ombudsman Service AXA provided an update on the claim. It said, in June 2025, and likely as a result of it having instigated court action, that it had just received full payment from the other insurer. It made no comment about the price for cover Miss F had faced in 2023 and 2024, or would face for the policy, soon to renew (1 July) for 2025.

Our Investigator considered the complaint. She noted Miss F had confirmed that AXA had sent her £200, £100 of which it had explained was compensation for lack of communication. Our Investigator felt AXA had caused some delays but that it couldn't fairly be held responsible for the other insurer's lack of cooperation. She felt £200 compensation was fair.

Miss F was unhappy. She said it surely couldn't be right that matters remained open and unresolved more than two years after the accident. Her complaint was referred to me for an Ombudsman's decision.

I found that AXA had caused a year of delays. And, most crucially that, but for its delays, the claim would have been closed as non-fault before Miss F's policy renewed in 2024. I thought AXA should be reviewing what it had charged Miss F and reimbursing her any overpayment. Noting AXA had paid £200 compensation already, I wasn't minded to require it to pay more.

Both parties said they accepted my provisional decision. Miss F provided an update on her recent renewal.

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 said provisionally:

"From the outset of the claim the other insurer did not reply to AXA. The claim was made in February 2023, with AXA contacting the other insurer right away stating it believed they were responsible. AXA never heard anything from the other insurer but it was January 2024 before AXA looked to involve solicitors with a view to ultimately progressing to court proceedings if the other insurer still did not respond. However, an error meant AXA's solicitor wasn't contacted until June 2024. A recent update from AXA has shown that it had taken a year since appointing its solicitor for the claim to finally be resolved.

Clearly there's been a lack of cooperation from the other insurer. And I fairly must take that into account when thinking about how the claim should have progressed. But I think that complete and total lack of cooperation means AXA should have moved to appointing its solicitor much earlier. Likely in around June 2023. To say it should have taken this significant action before then likely wouldn't be fair as it needed to give the other insurer a reasonable chance to engage.

We know that once AXA did appoint its solicitor in June 2024, it was only after a year of involvement and the solicitor instigating court proceedings that the other insurer engaged and, by settling AXA's costs, accepted liability. So if AXA had appointed the solicitor in June 2023, it seems likely to me that the claim would have been settled by June 2024. In my view, AXA is responsible for a year of claim delay.

AXA has agreed to review the premiums for policy years 2023/2024 and2024/2025. There is the current policy year to think about too. I don't think the claim would ever likely have been resolved by the 2023 renewal. It may well be that AXA will want to review that now anyway, given it knows the claim wasn't Miss F's fault. But for AXA's delays though, I think it should've resolved and been closed as non-fault, before renewal in 2024. AXA should take my findings regarding this into account when it reviews the price Miss F was charged for 2024. The 2025 policy has just renewed. I trust AXA will also be planning on reviewing the cost for this year too, but for completeness, I'll add a direction for that. For the 2023 and 2024 policy years, if AXA provides a refund, interest should be added to the sum to refund from 1 July 2024 until settlement is made – 1 July 2024 being the date the claim and premium should have been resolved.

I can see how frustrating this has been for Miss F. But I'm mindful that AXA has paid her £200 compensation and the claim would always have taken more than a year to resolve. On balance I think £200 compensation is fair and reasonable. As AXA has paid this sum to Miss F already, I won't require it to pay anything more."

I thank both parties for their acceptance of my findings. I ned to comment briefly about the 2025 renewal.

Miss F has explained that she has changed insurer – that the policy in 2025 did not renew with AXA. I'm still going to require AXA to review what it had proposed as the renewal cost and recalculate what that should have been if it had not delayed the claim as I described in my provisional findings above. AXA will still need to pay to Miss F any difference in cost between the proposed renewal price and that it should have charged. I appreciate that Miss F did not 'incur' that exact 'overpayment' but I have no doubt she was charged more by her new insurer with an open/fault claim on her record than she would have been had it been closed as non-fault before the policy was arranged. I'm satisfied that maintaining the basis of my original award – for AXA to review the cost for cover for 2025 and pay to Miss F any increased sum – provides a fair and reasonable outcome to this complaint.

Putting things right

I uphold this complaint. Whilst AXA had always agreed to review the premium for policy cover in 2023 and 2024, it hadn't accepted it had delayed the claim during that period. The policy has also now renewed for 2025. I've found it did delay the claim and so its assessment of the premium for 2024, and now 2025, needs to take this delay into account.

I intend to require AXA to:

- Review the premium charged for 2023/2024, on the basis the claim has now been found to not have been Miss F's fault. If when the premium is amended, any overpayment is found, reimburse this sum to Miss F. Plus interest* applied on the reimbursement sum from 1 July 2024 until settlement is made.
- Review the premium charged for 2024/2025, on the basis Miss F was not at fault and the claim should, prior to renewal in 2024, have been closed as resolved. If when the premium is amended, any overpayment is found, reimburse this sum to Miss F, plus interest* applied on the reimbursement sum from 1 July 2024 until settlement is made.
- Review the premium proposed for 2025 and pay to Miss F any sum over and above that it would have proposed had Miss F been found to have been not at fault, with the claim closed as resolved, in 2024.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require AXA to take off tax from this interest. If asked, it must give Miss F a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require AXA Insurance UK Plc to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 3 September 2025.

Fiona Robinson
Ombudsman