

The complaint

Miss O has complained about AXA Insurance Designated Activity Company (AXA)'s decision to repair her car when she made a claim under her car insurance policy. Miss O believes AXA should have settled her claim as a total loss. Miss O also complained about the service she received from AXA.

What happened

In May 2024 Miss O's car was damaged by a third party. She reported the incident to her insurer, AXA. The third party accepted fault and their representative arranged for a replacement car for Miss O while her car was assessed for repair.

AXA decided that Miss O's car was repairable. Miss O raised a series of complaints with AXA. She didn't agree with its decision to repair her car. She believed her car was worth less – to make the repairs uneconomical - and so should have been declared a 'write off' by AXA. Miss O said AXA failed to keep her updated on her claim and she was unhappy with the repairs.

AXA replied to Miss O's complaints in July 2024 and August 2024. It said its decision to repair her car was correct. Miss O chose to use a non-approved repairer. AXA agreed to cover the replacement of a heat pad to a seat as Miss O said water had spilled when the incident happened. The part was on order, but it was outside of the repairer's control as to when it would be available. In the meantime Miss O's car had been returned to her repaired.

AXA said the repairer would let Miss O know when the part was available. I understand the part was replaced in August 2024 and Miss O was provided with a replacement car during this period. AXA accepted it was inconvenient for Miss O to have to wait for the part, and it apologised for miscommunicating with her during the claim.

For the distress and inconvenience caused, it paid compensation of £100.

Miss O raised new issues with her car. AXA advised her to return it to her chosen repairer to establish if the issues were incident related.

Miss O remained unhappy and asked us to look at her complaint. One of our Investigators thought AXA had acted reasonably and in line with the policy in deciding to repair the car. She found that AXA had made minor mistakes in some of its communication with Miss O, but the compensation award of £100 was fair to reflect the inconvenience it had caused.

Miss O didn't agree and wants an ombudsman to decide. She has provided examples of cars for sale and evidence of a part exchange valuation for her car. She says this shows AXA should have paid her the market value for her car rather than repair it. Miss O says she has lost thousands of pounds due to the devaluation of her car. She says the £100 isn't enough to reflect the hours she spent chasing AXA for an update on her claim.

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.

It is reasonable to expect a degree of disruption and inconvenience when having to deal with a claim. Unfortunately I think it is inevitable. I've looked at whether AXA as the insurer handled the claim reasonably and in line with the policy terms.

Miss O says AXA arranged for repairs to begin without her consent. Miss O asked for a non-approved repairer to assess her car for repair. AXA arranged for this to be done – and on receiving an estimate from the repairer, AXA approved repairs.

AXA – like most if not all other motor insurers – says it can decide how to settle a claim. Under the policy wording AXA says;

“We will pay for:

Loss of or damage to your car, (not exceeding its market value), and its accessories in or attached

The reasonable cost of protecting and removing your car to the nearest competent repairer, and

If your car is repaired in Northern Ireland, the reasonable cost of delivering your car back to your address

This will involve:

Repairing your car in an AXA approved repairer or one of your choice, or

Replacing what is lost or damaged, if the cost of repairing it would be more than it costs to replace;

or

Paying the cost of the loss or damage

We will choose which option is appropriate.”

So I'm satisfied that AXA explained to Miss O in the policy wording how it would deal with a claim. And having done so, it decided to meet the claim by repairing Miss O's car.

I've looked at the valuation guide used by AXA when determining whether to repair or write off Miss O's car. This shows that the repair costs were around 30% less than the market value of her car at the time the damage occurred. The market value AXA – and we – rely on is the 'retail transacted value' provided by the main motor trade guides. This is the amount Miss O – or anyone – would reasonably pay for a similar car from a retail garage.

Miss O has provided a valuation for her car from a garage on the basis of part exchanging it about a week before the incident. She has also provided examples of cars for sale online for lower than the market value of her car which AXA relied on.

The evidence provided by Miss O is not persuasive. Part exchange valuations offered by a garage will be lower than the market value of a car to factor in a garage's profit for selling the vehicle on.

Both cars in the adverts provided by Miss O have higher mileage than hers. So the information Miss O provided doesn't carry more weight than the main motor trade guides which provided valuations for Miss O's car between £10,699 and £11,150.

Miss O chose not to use an AXA approved repairer. I understand Miss O wasn't happy with the repairer and complained that AXA failed to keep her updated. From reviewing the timeline and contact between the parties, I don't find AXA caused undue delay or was responsible for failing to keep Miss O updated.

After AXA had authorised repairs with the non-approved repairer, Miss O raised a concern that a seat was damaged by water spilled when the incident happened. Although AXA nor the repairer could confirm, AXA agreed to cover a replacement heat pad for one of the seats. As the part would not be available for some time, Miss O's car was returned to her following repair. When the part was available, Miss O was to return her car to the repairer for the heat pad to be replaced.

I understand Miss O was unhappy with the wait time for the outstanding part. But this was something outside of AXA's control.

Miss O says AXA addressed her by her surname only in an email and that AXA failed to update the portal to keep her updated on her claim. AXA apologised for the miscommunication and inconvenience in having to wait for the heat pad part. For this it paid Miss O £100 compensation.

AXA is responsible for incident related repairs which from what I've seen it has covered the costs for. I haven't seen evidence to show AXA's handling of Miss O's claim has caused a devaluation of her car, or that it is responsible for not covering incident related repairs.

As I've said, it is reasonable to expect some disruption and inconvenience when having to deal with a claim. I think AXA made some minor errors. But overall I find AXA has done enough to resolve Miss O's complaint. So I'm not asking it to do any more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 17 November 2025.

Geraldine Newbold
Ombudsman