

## **The complaint**

Miss S complains about how AXA Insurance UK Plc (AXA) dealt with a claim on her motor insurance. References to AXA include other organisations and individuals acting on its behalf.

## **What happened**

Miss S had motor insurance underwritten by AXA. Her car was hit by another vehicle while it was parked at the side of the road. Miss S made a claim on her insurance.

Miss S's car was recovered by AXA and AXA advised her that the car would be deemed a total loss as it wasn't economical to repair. AXA asked Miss S about undisclosed modifications to the car. Miss S replied saying she knew nothing about the modifications when she bought the car.

Miss S had a cherished number plate which she wanted to keep, and she incurred various expenses in doing this.

AXA offered Miss S a valuation for her car, which she declined. AXA then offered a slightly larger valuation less the excess, which Miss S also declined. Miss S then complained to AXA about the valuations and the issues she was experiencing keeping her registration plate.

Miss S subsequently accepted a higher valuation offer, which was paid by AXA without a deduction for the excess.

AXA responded to Miss S's complaint saying that there had been a delay due to the undeclared modifications and that a commercial decision had resulted in the increased valuation. AXA accepted that there had been delays in assessing the modifications, validating the claim and replying to emails and awarded Miss S £100 compensation.

Shortly after this Miss S was advised that her insurance policy had been cancelled as she hadn't insured another vehicle. AXA said if Miss S had used her cover, kept her car or was planning on changing her vehicle she should get in touch. Miss S didn't open this email until after the timeframe AXA gave her for getting in touch.

About a month later Miss S contacted AXA to get a cover note so she could test drive a car she was considering buying. AXA confirmed that the Third Party Insurer had admitted liability and that it was awaiting payment of costs.

Miss S decided to buy the replacement car and contacted AXA to sort out the insurance. She was told that AXA still hadn't received full payment from the Third Party Insurer, meaning that there was an open claim against her name. Miss S made a new complaint to AXA.

About a month later, AXA confirmed the claim was closed as they had received the outstanding payment, and Miss S's No Claims Discount was reinstated.

AXA responded to Miss S's second complaint saying that there had been a delay in

recovering its costs from the Third Party Insurer and reinstating Miss S's No Claims Discount, and there had been a further delay due to a system error. AXA awarded Miss S another £100 compensation. AXA explained that it had also refunded the extra premium Miss S had paid due to there having been an open claim against her name.

Miss S wasn't happy about this and complained to this service. Our investigator didn't uphold her complaint. He said AXA had failed to respond to all Miss S's emails in a timely manner, and had initially failed to request the correct payment from the Third Party Insurer which resulted in an avoidable delay in closing the claim and reinstating Miss S's No Claims Discount.

However the investigator said that in recognition of this, AXA had awarded Miss S compensation of £200 and because this was in line with this service's guidance he wouldn't ask AXA to make any further payment.

With regard to other aspects of Miss S's complaint, the investigator said that he wasn't persuaded that Miss S was disadvantaged by AXA's failure to correct the date of the accident for several months or the failure to explain the refund of premium when the claims handler was off sick. So he said he wouldn't ask AXA to take any further action regarding these issues.

Miss S wasn't happy with what the investigator said so her complaint has been passed to me. Miss S says she lost out on a car she wanted to buy and was unable to get insurance cover because of the risk of it being voided due to incorrect/false information given by AXA.

Miss S wants to know if AXA acted reasonably and if the compensation paid to her was reasonable.

### **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 don't uphold Miss S's complaint. I'll explain why.

AXA has accepted that there were avoidable delays in dealing with and closing Miss S's claim and reinstating her No Claims Discount. The delays were due at least in part because AXA initially asked the Third Party Insurer for the incorrect amount needed to settle the claim. AXA has also accepted that not all Miss S's emails were responded to appropriately. I therefore won't go into these parts of Miss S's complaint in any detail.

In response to our investigator's view, Miss S raised a number of points which I will address below.

- Miss S says the handling of her claim was a breach of the duty of care owed to her by way of her contract with AXA.

The role of this service is to decide whether AXA acted fairly and reasonably in dealing with Miss S's claim, rather than to decide whether it breached any duty of care. However I note that AXA has accepted that there were shortcomings in the way it dealt with the claim.

- Miss S says AXA lied in the first complaint that she declined the Retention of the Registration number.

Miss S says the first letter in response to her complaint said that the solicitors said she

declined the claim for the Retention of the cherished number plate.

This letter actually says:

*"I also understand that there had been delays with [the solicitors], where you were informed you could claim for the retention fee for your cherished registration plates, but then later told you could not proceed."*

So I can't see that AXA lied about this. AXA has told this service that the issues with Miss S retaining her cherished number plate were passed to the solicitors dealing with this matter to respond to. I think that this was fair and reasonable in the circumstances.

- Miss S says AXA made a mess of requesting the correct amount from the 3rd party in the first instance.

AXA has accepted that it initially requested the incorrect amount from the Third Party Insurer and compensated Miss S for the delay.

- Miss S says AXA's error cost her to lose the car she wanted to buy.

I don't think that it's possible to say that AXA's errors led to Miss S losing the car. There were other options open to Miss S so that she could have obtained insurance from AXA or elsewhere if she needed it in order to buy the car.

- Miss S says AXA caused her stress, frustration and inconvenience which a paltry sum of money does not cover.

The problems in dealing with the claim have undoubtedly caused Miss S stress, frustration and inconvenience. However AXA has paid her £200 in recognition of this. This service has some broad guidelines on compensation for distress and inconvenience. An award between £100 and £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. I therefore think that the compensation AXA paid was fair and reasonable.

- Miss S says that it seems AXA doesn't want this service to know that its very first settlement offer was a slap in the face.

This service is aware of the different amounts that were offered to Miss S to settle her claim. The first valuation was made on AXA's behalf by its engineers. AXA subsequently made a higher offer which Miss S did accept. This isn't unusual and there is often a period of negotiation between a business and a consumer before a valuation is agreed. I can't see that AXA or anyone acting on its behalf tried to hide any of the different offers from this service.

- Miss S asks if AXA's recovery of funds from the Third Party is the norm in the industry, not negligent behaviour. She also asks how could they get the figure wrong at the first instance.

It is usual practice in the UK insurance industry for a consumer's insurer to seek to recover the costs of a claim from the Third Party Insurer if it can be established that the other driver was at fault. The claim will remain open against the consumer's name until this has happened. AXA has accepted that it initially asked the Third Party Insurer for the incorrect amount and that this was an error on its behalf. It seems that AXA at first attempted to recover an amount it had previously offered Miss S as a valuation of her car, rather than the amount she accepted. I understand that AXA did in fact correct this and recovered the right

amount.

Therefore in all the circumstances of this case I think AXA acted fairly and reasonably by acknowledging where it made errors and compensating Miss S.

Miss S has raised new issues with our investigator, including about her No Claims Discount and the premium refund she received, but this service is unable to consider these new complaints until they have been made to AXA and AXA has had an opportunity to respond.

### **My final decision**

For the reasons given above I don't uphold Miss S's complaint. So I won't be asking AXA Insurance UK Plc to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 25 November 2025.

Sarah Baalham  
**Ombudsman**