

The complaint

Miss S is unhappy with the liability decision made by AXA Insurance UK Plc (AXA) following a claim made by a third party on her car insurance policy.

What happened

In February 2024 Miss S' car was involved in an incident involving a third party. She says the third party moved into her lane to instigate an accident to make a claim because they had pre-existing damage on their car. She notified AXA of the incident shortly after it happened but didn't make a claim as her car only had minor damage.

In May 2024 the third party's insurer contacted AXA to claim for the damage to their car. AXA informed Miss S of this and asked her to complete an accident report form (ARF) but it didn't tell her the claim would proceed to arbitration. It also didn't specify the timeframe in which she needed to submit the ARF.

In June 2024 the arbitrator decided the claim should be settled on a 50/50 split liability basis. This was due to both parties saying the other crossed into their lane and there being no independent evidence to verify either parties' account.

A few days later, Miss S submitted her ARF and a couple of images of both cars at the time of the incident. AXA told her about the arbitrator's decision and how it was bound by it. Miss S raised a complaint about that. In its response, AXA apologised for not notifying her about the arbitration process and offered her £175 compensation. But AXA said it cannot change the arbitrator's decision.

Miss S raised a further complaint about AXA paying the third party's claim and her renewal premium increasing because of the incident. AXA said it had settled the third party's claim in line with the arbitrator's decision and that her premium could increase due to the claim as well as market and economic factors.

Unhappy with AXA's response, Miss S brought her complaint to our Service for an independent and impartial review. One of our Investigators looked into the complaint and didn't uphold it. He thought AXA had settled the third party's claim fairly. Miss S didn't agree with the Investigator's view. She maintained the third party was at fault and had AXA sent her evidence to the arbitrator, its liability decision would've been different.

Miss S also says AXA failed to advise her about getting CCTV footage when she first reported the incident. And that the £175 compensation offered doesn't go very far in contributing to the increased cost of her insurance premiums. She asked for an Ombudsman to consider her complaint, so this has been passed to me to decide.

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.

Firstly, I'm aware I've set out the background to this complaint in far less detail than the parties have presented it. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I assure the parties, however, that I have read and considered everything they've provided.

The scope of my decision

I understand Miss S isn't happy with the claim amount paid to the third party. And that in response to our Investigator's view, she said the engineer's report came back with an unclear response.

Under our rules, AXA has to be given the opportunity to resolve the matter first before we can consider it. So, if Miss S is unhappy with the engineer's report on this issue, she'll need to refer this to AXA directly. If she remains unhappy after that, she can refer this issue back to this Service.

Liability

It isn't our Service's role to say who's at fault for causing an accident. This is the role of the courts. Our role is to look at whether AXA conducted a fair investigation, reviewed all the available evidence and reached a reasonable decision.

AXA is entitled under the terms and conditions of its policy with Miss S to take over, defend, or settle a claim as it sees fit. This is a very common term in motor insurance policies. However, it needs to exercise this right fairly and reasonably, taking into account everything both parties have provided.

AXA failed to make the deadline clear to Miss S in which she'd need to return the ARF and any supporting evidence. Because of this failing by AXA, Miss S' ARF and images were not considered by the arbitrator when making a decision on liability for the claim.

The question I've considered when deciding whether AXA needs to do more to put things right, is whether I'm persuaded on balance that AXA's failing impacted the liability decision reached by the arbitrator.

I note the ARF Miss S submitted contains a sketch and her version of events. I can see the arbitrator was already aware of Miss S' account of what had happened. This has been recorded in the arbitrator's liability decision outcome. I recognise Miss S provided details about her version of events in the ARF but I don't think this document would've made a material difference to the liability decision reached. I say this because the arbitrator would've still had to make a decision based on conflicting versions of what had happened from Miss S and the third party.

Miss S also provided images of her car and the third party's car from the time of the incident. Miss S says this supports her testimony about the damage to the third party's car being inconsistent with the incident. AXA referred the two images Miss S provided to its engineers during the claim. The engineers concluded these were insufficient to establish whether the damage was consistent with the circumstances of the accident. I can also see that the third party had also included supporting images of their car and the arbitrator didn't find this evidence compelling enough to say that Miss S was liable for the incident. So, on balance I'm not persuaded Miss S' images would've led to a different outcome in favour of Miss S.

On balance, I'm not persuaded Miss S' evidence would've materially impacted the liability

outcome decision reached by the arbitrator. This is on the basis that Miss S would likely have been held at least partially at fault because of the position of the parties at the time of the incident, and conflicting testimonies about who was to blame, with no compelling evidence to support either party's version of events.

For the above reasons, although AXA failed to do what it should've done, I'm not persuaded by the evidence that AXA's failing has impacted the liability outcome reached by the arbitrator. So, I won't be asking AXA to change the way the claim has been recorded.

CCTV

I appreciate Miss S feels AXA should've made her aware when she reported the incident that securing CCTV footage would be beneficial. However, there's no obligation on AXA to tell its policyholders to search for CCTV footage as it wouldn't be practical to do that in every claim.

I haven't seen any evidence to support that Miss S made AXA aware at the time that there was a possibility that CCTV was available. So, I think AXA's handling of the claim in respect of CCTV was reasonable based on what Miss S had disclosed about the incident at the time.

Renewal premium

Miss S is unhappy her premiums have increased. I recognise Miss S' disappointment. However, it's normal for premium costs to rise following a claim being made. There are many factors which influence the cost of an insurance policy – with the claims history of the policyholder being one of them.

The cost of Miss S' policy increasing after a claim had been made isn't unusual. I also understand Miss S shopped around and found cheaper insurance with another insurer. So, I won't ask AXA to do anything about this aspect of Miss S' complaint.

AXA's claim handling

The relevant rules and industry guidelines say AXA has a responsibility to handle claims promptly and fairly and provide appropriate information on their progress. This includes keeping their customer updated with significant updates and letting them know if the claim is settled.

AXA accepts its claims handling was poor as it failed to notify Miss S of the arbitration process and the urgency of submitting her evidence. AXA offered £175 in recognition of this poor service and the impact on Miss S.

Having considered what has happened, I'm persuaded this amount is fair and in line with what we'd direct in the circumstances. This amount recognises that whilst AXA could've done more to better manage the communication with Miss S, the outcome of the claim itself remains unchanged.

I appreciate Miss S wants AXA to increase its compensation so that it can contribute towards her new insurance premium. However, our awards are to recognise the distress and inconvenience suffered because of the insurer's failings when handling the claim. Having considered our award bands alongside the impact on Miss S, I'm satisfied £175 compensation offered by AXA is fair and reasonable. So, I won't ask AXA to do anymore here.

Putting things right

Miss S hasn't cashed the £175 cheque AXA sent with its final response letter of August 2024. I'm satisfied that AXA should pay Miss S £175 compensation for distress and inconvenience for the reasons explained. It is for Miss S to decide if she wants to accept this.

My final decision

My decision is that AXA Insurance UK Plc should pay £175 compensation for distress and inconvenience to Miss S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 13 November 2025.

Linda Tare
Ombudsman