

### **The complaint**

Mrs P complains that AXA Insurance UK Plc (“AXA”) mishandled her claim on a motor insurance policy.

### **What happened**

The subject matter of the insurance, the claim and the complaint is a car made by a Japanese car-maker and first registered in 2023.

Mrs P lives in a remote part of the UK not connected to its mainland road network save by ferry. She acquired the car (and transferred an older cherished registration number to it).

For the year from March 2024, Mrs P had the car insured on a comprehensive policy with AXA. The policy covered her as policyholder and her husband as named driver.

She noticed rodent damage to the wiring of the car. On about 8 April 2024, she made a claim on the policy.

Mrs P incurred an outlay of £488.22 on a return ticket for the car on the ferry on about 12 June 2024. AXA reimbursed Mrs P for that.

AXA incurred an outlay on a vehicle logistics company to collect the car.

The car arrived at a main dealer franchised by the car-maker. After some delay, on 23 June 2024, Mrs P forwarded the main dealer’s photos and estimates to AXA.

On 5 July 2024, AXA said it would get a vehicle assessor to inspect the car.

The vehicle assessor told Mrs P that the main dealer moved the car to a storage yard on 10 July 2024. The vehicle assessor suggested she should try a second main dealer.

AXA instructed the vehicle logistics company to take the car to the second main dealer. As no-one had booked the car in with the second main dealer, Mrs P cancelled the tow truck.

She booked the car in for early September 2024.

Mrs P learned that a replacement wiring loom would take up to a further three months. So she cancelled her claim.

By an email dated 30 August 2024, AXA told Mrs P the following:

*“I have now closed your claim, however when I took your initial call about this I didn’t realise we have already paid out £488.22 for the recovery of the vehicle so far, due to this the claim has been closed and will show as a fault claim as opposed to information only if no costs had been made.*

*If you do want this to go as information only then we would require reimbursement of the above cost, please let me know if you are happy with it [being] closed the way it is or if you would like to make the reimbursement”*

By an email dated 25 October 2024, AXA told Mrs P the following:

*“...the compensation cost will not go against your claim or policy but we do need the recover cost reimbursed before we can close the claim as an incident only. That’s a total of £252 for the services used of [logistics company]”*

By an email dated 5 November 2024, AXA said the following:

*“In order for us to close your claim as a non-fault notification, we will need a payment raised to us for £488.22  
Also we would need a payment raised of £252 for the services used by [logistics company].  
Total payment required £740.22”*

Mrs P complained to AXA. She said she had paid for repairs.

By a final response dated 31 December 2024, AXA accepted the complaint in part. The final response included the following:

*“...there had been a delay in re-confirming with you the exact claim costs to be reimbursed and you had to chase this up...  
...if you do not wish to reimburse us the full claim costs which are outlined in my colleagues email to you dated 5 November 2024, then we will be unable to close your claim as information only.  
From your email you confirm you have paid for your vehicle repairs and are out of pocket £650, you can still claim for these repair costs, if so please send in the repair invoice for our claims team to review.  
To apologise for the distress and inconvenience caused I have made a payment of £250 Due to our finance and payment systems, we cannot deduct this payment directly from your claim costs”*

Mrs P brought her complaint to us in late January 2025. She asked us to direct AXA to write off the amount it was trying to get back from her.

Our investigator didn't recommend that the complaint should be upheld. She thought that £250.00 was fair, and reasonably compensated Mrs P for the impact of AXA's errors.

Mrs P disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- AXA said she didn't qualify for a hire car because the first main dealer wasn't an approved repairer.
- AXA later paid £15.00 per day to her bank account for car hire.
- In June 2024, she was diagnosed with needing treatment for cancer.
- She was without a car for a long time.
- She is willing to pay the return fare for the ferry in September 2024 only.

## **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.

### Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service.

One of the rules is that, before we can investigate a complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint, receives a final response and asks us to investigate that complaint- and other complaints that post-date the final response. In those circumstances, the rule allows us to investigate the initial complaint, but not the later complaints.

I haven't seen enough evidence that, before the final response, Mrs P complained to AXA that it was responsible for the delay or that it hadn't provided a hire car. So I can't make any findings on any such complaints in this decision.

### This decision

Where an insurer has incurred an outlay on a claim, its common practice for that insurer to record the claim as a fault claim against its policyholder unless and until it recovers its outlay in full, typically from a liable third party.

From what she's said, Mrs P knew what the ferry cost. AXA confirmed that cost in its email dated 30 August 2024. That email said that AXA would record a fault claim unless Mrs P reimbursed that cost.

I accept that AXA also incurred a cost of £252.00 to the logistics company. AXA confirmed that cost in its email dated 25 October 2024. That email alluded to some compensation which would not count as part of the claim. The email correctly said that AXA needed to recover other cost before it could record the claim as for information only. AXA incorrectly said that was a total of £252.00.

Mrs P already knew about the ferry cost. And AXA's email dated 5 November 2024 correctly said that AXA needed a total of £740.22 to record the claim as for information only.

AXA re-stated that position in its final response dated 31 December 2024. That confirmed that Mrs P has a choice whether to pay the £740.22 in which case AXA will record the claim as for information only. Alternatively she has a choice not to pay in which case AXA will continue to record the claim as a fault claim – and AXA has made it clear that she may also claim for her repair costs.

I accept that the costs are correct and Mrs P has a choice whether to reimburse them. So I don't consider that this treats Mrs P unfairly.

I don't condone the lack of clarity in the email dated 25 October 2024. I've considered its impact on Mrs P, which included some doubt until AXA's email dated 5 November 2024.

I note that AXA has paid Mrs P £250.00 for distress and inconvenience. That's more than I would otherwise have found fair and reasonable and in line with our published guidelines, keeping in mind the nature and duration of the impact.

Overall I don't conclude that it would be fair and reasonable to direct AXA to pay any further compensation or to do any more in response to this complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct AXA Insurance UK Plc to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 29 December 2025.

Christopher Gilbert  
**Ombudsman**