

The complaint

Mrs P complains about how AXA Insurance UK Plc (“AXA”) handled a claim under her car insurance policy. When I mention AXA I also mean the suppliers it uses to recover its losses.

What happened

Mrs P had a car insurance policy with AXA. She arranged the policy through a broker I’ll refer to as H.

In July 2023 Mrs P was involved in a collision with a third party, who reversed into her car.

She contacted AXA and made a claim for the damage.

Her car was repaired by AXA’s repairer.

AXA tried to recover its costs by approaching the Third Party Insurer (‘TPI’). It made some initial contact in the summer of 2023 but then didn’t follow up with the TPI or progress the claim recovery.

Mrs P’s claim was left ‘open’ on AXA’s system. When Mrs P applied for cover in subsequent years, she needed to report this, which affected the premium she’s been charged. Her claim remains open.

She complained. AA agreed its service hadn’t been very good. It said Mrs P should be able to have some of her premiums refunded in future when she confirmed the claim was closed. AXA closed an early complaint without her agreement.

It said it would pay her £300 for her distress and inconvenience caused by it not progressing her claim.

She remained unhappy and brought her complaint to this service. She complains about AXA’s service, its lack of urgency and that her claim was only progressed because of H’s involvement.

Our investigator looked into it and thought AXA should pay an additional £150 compensation to Mrs P.

Mrs P agreed with the view but AXA didn’t. It thought the additional compensation was awarded by our investigator for the period following its Final Response. Our investigator clarified that they made the extra award because of the poor handling of Mrs P’s claim and complaint.

Because AXA didn’t agree with the view, this complaint has been passed to me to make a decision.

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.

From the file, I can see Mrs P feels very strongly about the service she's had during her claim. It's important I start by clarifying what I'm able to consider in this decision, which is the events of her claim up until the date of AXA's final response on 20 June 2025.

I can see from the file that AXA admits it caused Mrs P distress by not handling her claim well. There are multiple examples of avoidable delays, possibly the biggest of which was from September 2023 to May 2024 where nothing seems to have been done by AXA.

There are examples in the file where the outsourced claims handling function of the TPI seems to have changed companies, and the new company seems to have asked AXA to re-serve documents on it which I assume is an effort to kick-start the claim. I can't fairly say AXA is responsible for this, but I note that these efforts came after there had already been significant delays caused by AXA's lack of activity.

I see no need to include all of these delays in this decision, but I'd like to assure both parties that I've read the complete file even if I don't refer to it here. This is in line with the informal nature of this service.

Mrs P has said that the annual cost of her insurance has tripled since 2023, which she thinks is due to the 'open' status of her claim. I need to say that the premiums she's been charged are the responsibility of those insurance companies she's been insured with. Once this claim is finally settled by AXA, she should be able to take that proof to those companies and ask them for an adjustment to the premiums she paid. If she's not successful in those approaches, then this service would support a further complaint against AXA for the losses she's incurred, which have their roots in AXA's poor claims handling.

From AXA's file I can see that it didn't pro-actively contact the TPI or its representatives. It didn't update Mrs P, or H.

When Mrs P complained, its complaint handler mistakenly closed her complaint so she needed to make a new one.

It's difficult to see why this happened, as the collision itself seems to have been one that should have been simple to deal with.

Taking everything into account, I don't think the level of compensation awarded to Mrs P by AXA is in line with this service's guidelines. I can see Mrs P has accepted the view, which thought she should receive a further payment of £150, and I think that's fair.

Mrs P has also said there's been little or no further contact from AXA from its Final Response into October, and I'd say Mrs P can consider making a further complaint to AXA about its continuing service. That complaint may reach this service in due course.

My final decision

It's my final decision that I uphold this complaint. I direct AXA Insurance UK Plc to pay Mrs P additional compensation of £150 for her distress and inconvenience caused by its poor service.

AXA must pay the compensation within 28 days of the date on which we tell it Mrs P accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 2 January 2026.

Richard Sowden
Ombudsman