

The complaint

Miss H complains that AXA Insurance UK Plc unfairly declined a claim on her motor insurance policy after her car was stolen.

Miss H's policy is branded in one of AXA's trading names. But AXA is the policy underwriter and is responsible for claims decisions so I will only refer to it below.

What happened

Miss H had left her car with a mechanic to fix a battery issue. While in the mechanic's care the car was stolen and heavily damaged in an accident. Miss H only learned of the theft when the police told her about it.

Miss H claimed for the theft on her policy. AXA refused her claim. It said her policy didn't insure her when she left the car in the care of someone not covered by the policy.

Miss H didn't think that was fair and complained. AXA replied to that complaint on 22 May 2025. It didn't uphold the issue about its decision to refuse the claim. But it apologised for its delays in responding to Miss H's correspondence.

Miss H brought her complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He didn't recommend AXA take any more action on the complaint it had replied to in May 2025. But he did refer some other concerns Miss H had raised since its previous complaint response to AXA to deal with. AXA said it would look at those concerns separately.

Miss H was still dissatisfied. So, as the matter remains unresolved, it's 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.

Miss H's policy does cover her if her car is stolen. However, like most insurance policies, it won't cover every possible eventuality. That's because, when designing their policies and deciding how much to charge for them, insurers like AXA think about what risks they are prepared to cover and those they wish to exclude. That's a matter of commercial judgement for insurers and is not something we would generally seek to interfere with.

In this case Miss H's policy excludes cover where her car is left in the care of someone else who isn't covered by the policy. So, as Miss H's car was left, with her permission, with a mechanic at the time of the theft and he wasn't covered by the policy, then the policy didn't cover Miss H for the theft. So AXA declined her claim in line with the policy terms and conditions.

Miss H thinks this is unfair as it's not in dispute that her car was stolen or that she was in any way to blame for the theft. While I understand her perspective, for the reasons I explain below, that doesn't mean AXA's decision to turn down her claim is unfair or unreasonable.

As I've said above, all insurance policies I'm aware of set out the risks that the insurer will cover and what they exclude from that cover. When offering a private motor insurance policy

like Miss H's the insurer will consider what risk the policyholder poses and decide whether or not to offer a policy, and if so, for what premium, based on their assessment of that risk. However, when a consumer then hands over control of their car to another individual who is not covered by the policy the insurer has no means of assessing what risks that person poses. So it's not unusual for insurance companies to refuse to cover those risks as it's not one they've accepted when offering the policy.

In addition it's common that those in the motor trade offering their services, like mechanics, will have their own policies which should cover the risk of loss of their customers' vehicles. So, in those circumstances, it's the businesses or tradesperson's insurer that covers the risk, not the insurer of the private motor insurance policyholder. I understand that in this particular case, the mechanic appears not to have had that cover in place. But that wasn't AXA's fault. So I don't think it needs to cover a risk its policy excludes.

I understand the theft has been incredibly inconvenient and expensive for Miss H. And while I have immense sympathy for the position she finds herself in, that doesn't mean AXA must cover her claim when it has fair and reasonable reason to turn it down.

For completeness I'll add that Miss H has raised a number of other concerns about AXA's handling of the claim that it didn't address in its May 2025 complaints response. But AXA has confirmed it will respond to those concerns separately. And if Miss H remains dissatisfied having received that response she may bring her complaint to this service. So I don't not intend to comment on those particular points here.

My final decision

For the reasons set out above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 22 December 2025.

Joe Scott
Ombudsman