

The complaint

Mr D complains AXA Insurance UK Plc (AXA) unfairly settled a claim on his motor insurance policy after he was involved in a collision with a third-party.

What happened

Whilst reversing his car Mr D collided with a third-party car. He reported the incident to AXA. The third-party made a claim for repairs to their car.

Mr D was concerned about the repair costs submitted by the third-party and contacted AXA prior to the settlement of the claim to highlight his concerns. AXA settled the claim before it reviewed Mr D's concerns. It agreed it could've reviewed his concerns in more detail and that there had been a lack of communication. AXA's engineers then reviewed the third-party's repair costs and confirmed the costs were consistent with the damages and repair requirements, and said it wouldn't pursue the matter further. Due to it not investigating the repair costs sooner and because of its lack of communication with Mr D it awarded a total of £175 compensation for its service failures.

Because Mr D was not happy with AXA, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said they were satisfied AXA had investigated the claim properly and the third-party repair and hire invoices weren't excessive for the type of damage and costs involved. They said AXA had acknowledged service delays and offered £175 compensation, which they thought fairly reflected the inconvenience experienced.

As Mr D is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

In this case it isn't in dispute that Mr D's car collided with the third-party car and that he was responsible for the incident and any resulting damage. However, Mr D said there was no damage to either car. He believes AXA paid for damage that wasn't caused in this accident. He said the damage reported was previous and existing damage and was not caused by the low impact collision. He said he could not understand how there was no damage to his car, but it caused damage to the third-party car.

Prior to the claim being settled, Mr D told AXA the third-party had already approached him and asked him to pay directly for the alleged damage, of which he'd refused to do. He said he thought the third-party was claiming for previous damage. AXA told him it would make further checks to see if the damages were exaggerated.

When Mr D contacted AXA for an update he found it had settled the claim, without making any further checks as it had said it would do. I saw AXA apologised to Mr D and agreed it should've completed its investigations. It awarded him £75 compensation for the poor level of service received. I saw it then requested further details from the third-party insurer. Mr D had to chase for updates because AXA didn't provide this, as it had agreed to. It offered a further £25 due to the poor of communication during the claim process.

When AXA eventually obtained the engineer's report this was reviewed by its own engineers. I saw the report included images of the third-party car which showed minor damage to the front bumper and scuffs to a headlamp. This report included a detailed breakdown of the repairs required to this one area of the car. AXA's engineers concluded the damage found was consistent with the incident circumstances. It found the third-party repair and car hire costs were not excessive for the type of damage involved. It said its decision to settle this claim was correct and the third party's repair costs couldn't be disputed and it wouldn't be pursuing the matter further.

Mr D maintained the damage to the third-party car was caused prior to him colliding with it, and AXA had dismissed his evidence and concerns. He told AXA that his daughter who was in the car at the time of the incident could provide a witness statement, but AXA wouldn't consider this. He didn't think this was fair.

Insurers generally don't treat passengers as independent witnesses because they're not impartial. This is common practice across the insurance industry, and although I recognise Mr D feels this is unreasonable, I think it was fair and usual for AXA to take this approach.

I don't think AXA initially investigated this claim as fully as it should've when Mr D expressed his concerns, however after it obtained the expert evidence it concluded the damage found was consistent with the incident circumstances and the costs were not excessive. And because I haven't seen any independent evidence to support Mr D's belief that the damage was pre-existing, I'm persuaded it fairly decided to settle the claim.

AXA offered Mr D a further £75 for the inconvenience caused due to its lack of follow up with him and delays in chasing up the report from the third-party.

I can understand how stressful and frustrating this situation has been for Mr D and I recognise he feels strongly that the damage reported by the third-party doesn't reflect the incident. However, I'm satisfied AXA has now looked into the claim fully and its decision to settle the third-party claim was fair and was supported by expert evidence. I think the total of £175 compensation for the poor level of service received is fair and reflects the inconvenience caused to him.

Therefore, although I know Mr D will be disappointed, I don't uphold his complaint and don't require AXA to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 March 2026.

Sally-Ann Harding
Ombudsman