

The complaint

Mr B and Ms Z complain AXA Insurance UK Plc (AXA) have not settled liability for a claim on their motor insurance policy and have unfairly recorded it as fault.

Mr B is the policy holder and Ms Z is a named driver on the policy. Reference to Mr B or Ms Z includes the other.

AXA are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As AXA have accepted it is accountable for the actions of the intermediary, in my decision, any reference to AXA includes the actions of the intermediary.

What happened

Ms Z was involved in an incident with a third-party. This was reported to AXA in April 2023. Ms Z believes the third-party was liable for the incident. AXA pursued the claim with the third-party insurer as non-fault, but they didn't accept liability.

AXA continued to treat the claim as a non-fault incident, and the claim remains open whilst it tries to recover its costs from the third-party insurer. When Ms Z made a complaint in 2024 AXA accepted some of the delay with progressing this case was due to a lack of action by itself. It paid £175 compensation.

In June 2025 Ms Z made a new complaint because the claim remained open. AXA paid her £100 compensation.

Because Ms Z was not happy with AXA, she brought the complaint to our service.

After the complaint was brought to our service, AXA made an offer of a further £250 compensation due to its lack of sufficient action in progressing the claim to conclusion. This was rejected by Ms Z.

Our investigator upheld the complaint. They looked into the case and said there has been delays progressing the claim, chasing the third-party insurer for recovery and appointing solicitors to the case. They said AXA should have progressed the claim in a timelier manner and provided regular updates. They recommended AXA pay a further £250 compensation. This is the same amount as AXA had offered.

As Ms Z 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.

It's important that I make it clear that it's not my role to decide who's at fault for an accident, as ultimately that's a matter for the courts.

In cases where liability is in dispute a claim will remain recorded as “open”. An open claim will be recorded as a bonus disallowed (fault) claim. I acknowledge the frustration caused by the delay in agreeing liability for this claim. I recognise it has likely to have affected the renewal cost of the insurance policy and also that Mr B has to pay his policy excess.

It is fair for an open claim to be recorded as bonus disallowed, but I would expect AXA to not unnecessarily delay settling the claim. It should handle the claim promptly and fairly and provide appropriate information on its progress. Our Service is unable to tell AXA to reimburse the policy excess that has been paid or for it to recalculate policy premiums with the claim recorded as bonus allowed (non-fault) until the third-party insurer accepts liability for the incident.

In this case AXA has accepted a lack of proactive action by itself meaning periods of inactivity on the claim caused delays of several months because no action was taken. It also said the claim was not sent to its legal partners when it should have been. It paid £100 compensation in June 2025.

In December 2025 the claim was still open because acceptance of liability had still not been accepted by the third-party insurer. AXA accepted that part of the delay was in its control because there had been delays in sending this to its legal team and that there had been a lack of updates to Mr B and Ms Z. An additional £250 compensation was offered due to this.

However it said the time the closure is taking overall is due to continued litigation with the third party’s insurer and it had no control over this.

AXA confirmed its legal partner was appointed in August 2024 and legal proceedings have now been issued and agreement is being pursued with the third-party insurer. It explained whilst waiting for agreement can be frustrating, it was unable to provide a definitive time frame for resolution due to factors in the legal process which may affect progression to conclusion.

AXA have explained that once the claim is settled, Mr B will be eligible for a policy premium recalculation, and any refund due will be issued through the broker.

After consideration of the case I think the total of £350 for the delay since June 2025 and the inconvenience caused to Mr B and Ms Z in pursuing AXA for updates is fair in this case.

Therefore, I uphold Mr B and Ms Zs complaint.

Putting things right

I require AXA to pay a further £250 compensation.

My final decision

For the reasons I have given I uphold this complaint.

I require AXA Insurance UK Plc to pay a further £250 compensation.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B and Ms Z to accept or reject my decision before 5 May 2026.

Sally-Ann Harding

Ombudsman