

complaint

Mrs V complains about the way AXA Insurance UK Plc handled a claim made under her motor insurance policy. After making a claim she was told that her vehicle had been previously written off and that she shouldn't drive it. AXA said that it would pay Mrs V the market value of her car. AXA later told Mrs V that the car had been incorrectly recorded as being written off, and it would repair the car instead of paying the market value.

background

Mrs V's car was involved in an accident in a car park. She initially made her claim through her intermediary, not realising that it was not her insurance company. She then went on to make the claim through AXA.

When AXA took over dealing with the complaint it was told by Mrs V's broker that the car had previously been declared a 'category b' write-off. The guidelines for written off vehicles say that a vehicle that has been declared a category b write off should not be returned to the road.

AXA carried out its own checks and found that the car's vehicle registration number had been placed on a database as being written off.

Mrs V was not provided with a hire car because her vehicle was not being repaired. Mrs V needed access to a car 24 hours a day to visit hospital at short notice. Given Mrs V's urgent need of a vehicle she purchased a replacement car with the help of a loan from her parents.

On carrying out further checks AXA discovered that the vehicle registration number had been placed on the database incorrectly by another insurer and that Mrs V's car had not been written off.

As the cost of repairing the car was substantially less than the market value of Mrs V's car AXA chose to repair the car. AXA told Mrs V that if she sold her new car it would pay any difference between the price she paid and the amount she received for it.

Mrs V was unhappy with this offer and has not yet agreed for her car to be repaired. Mrs V complained to this service.

Our adjudicator investigated Mrs V's complaint, but did not uphold it as he was satisfied that AXA acted reasonably on the incorrect information held on the database. He considered that AXA's offer to refund any loss to Mrs V in selling her new car to be reasonable.

As Mrs V did not accept the adjudicator's view the matter has been escalated to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The issues for me to determine is whether AXA acted reasonably when it told Mrs V that her car had been previously written off and whether its offer to resolve the situation was fair.

It is understandable that Mrs V acted on the information given to her by both her broker and AXA that her car was a category b write-off. Her decision to buy a new car was a reasonable one given her urgent need for transport at short notice.

Although Mrs V's actions were reasonable, I consider that AXA also acted reasonably in the way it handled Mrs V's claim. The incorrect information had been recorded on the database by a different insurer. AXA had a responsibility to act on that information at the time it received it. It then confirmed whether the information was correct and when it discovered it was not it made sure the information was corrected.

Given that the estimate of the cost of repairing the car was so much lower than the vehicle's value I consider that AXA acted fairly in deciding to repair Mrs V's car.

AXA's offer to refund any difference if Mrs V sold the car meant that Mrs V would not suffer a financial loss as a result of the error. I can understand that Mrs V did not accept this offer – particularly as she had suffered inconvenience and anxiety through no fault of her own at an already very distressing time for her. However I am satisfied that AXA were not responsible for the incorrect information being placed on the database and it acted reasonably in the way it dealt with Mrs V's claim.

my final decision

It follows, for the reasons given above, that I do not uphold Mrs V's complaint and I make no award against AXA Insurance UK Plc.

Colin Keegan
ombudsman.