

complaint

Mrs P complains about AXA Insurance UK Plc's handling of her claim against her motor insurance policy.

background

On 9 November 2016, Mrs P was involved in an accident whilst driving. She reported it to AXA on the same day. Mrs P told AXA that she was waiting to pull out of a side road when another driver's car collided with the rear of her car. The other driver left the scene without exchanging details. Nevertheless, Mrs P gave AXA the make, model and registration of the car and a description of the driver. In January 2017, Mrs P gave AXA information from the police.

In January 2017, AXA authorised repairs, which were arranged for later that month. Mrs P wasn't happy with the initial service she received from AXA's authorised repairers and asked for an alternative. In February 2017, AXA authorised repairs with a second authorised repairer. It appears that the repairs were completed in late March 2017.

On several occasions, Mrs P chased AXA for information about the claim against the other driver. In its final response letter in July 2017, AXA said the other driver denied causing the accident. It said it would continue to make enquiries with a view to making a full recovery of its costs of Mrs P's claim. In August 2017, the other driver's insurer provided photographs of his car and denied that the other driver was involved in an accident.

I understand that Mrs P's policy came up for renewal soon after the accident in November 2016 and she renewed her policy with AXA but that she went to another insurer in November 2017.

Our adjudicator thought that Mrs P's complaint should be upheld. She asked AXA to pay Mrs P compensation of £200 in relation to delays in getting her car repaired and for the lack of progress in the claim. That was in addition to compensation of £150 it had already paid.

AXA didn't respond to the adjudicator's view but it sent Mrs P a cheque for £200 without an accompanying explanation. Mrs P asked that an ombudsman consider her complaint. She said:

- She thought compensation of £200 was fair in relation to the repair delays and customer service.
- AXA still hasn't investigated the accident properly.
- She's concerned that this is recorded as a fault claim when she did all she could to provide AXA with the information it needed.
- She'd like this to be recorded as a non-fault claim and the return of the excess she's paid under the policy.

my provisional decision

In May 2018, I sent the parties my provisional decision in this case. I agreed with the adjudicator that AXA hadn't treated Mrs P fairly but I thought it should do more to put that right. I said that as AXA hadn't responded to some of our requests for information, I based my findings on the information we have.

One of the terms of Mrs P's policy with AXA is that it can deal with a claim as it sees fit. I said we don't interfere with that as long as we consider that it has exercised its discretion reasonably. I didn't think AXA had done so here.

Mrs P reported the accident to AXA on 9 November 2016. Her car wasn't repaired until late March 2017. AXA authorised its first repairer to carry out the repairs in January 2017, approximately two months after it first had notice of the accident. It's not clear to me why that took so long. Mrs P reported poor customer service from the AXA's first authorised repairer and AXA agreed to instruct a second authorised repairer. It appears that it did so in early or mid-February 2017. The repairs were completed in late March 2017. I said it wasn't reasonable that Mrs P had to wait approximately five months for relatively straightforward repairs to her car.

I said that AXA doesn't appear to have pursued its claim against the other driver in a timely way. It appears that it first contacted the other driver's insurer in mid-January 2017, over two months after Mrs P reported the accident. I thought that meant AXA lost valuable time in establishing who was at fault for causing the accident. I said that there was no effective investigation. I couldn't see that AXA asked Mrs P for further information, for example, a fuller statement and diagrams. It didn't appear to ask the police for further information or ask to inspect the other driver's car. Steps such as those would have amounted to a reasonable investigation and helped AXA to come to a fair view about which party caused the accident.

I said that AXA's lack of rigour in dealing with this issue affects Mrs P, as the incident is recorded as a fault claim on her record unless or until AXA recovers what it's paid out. AXA still doesn't seem to have come to any view on whose fault it was, almost two and a half years after the accident. I didn't think that was reasonable. Also, its delay in investigating the matter means that it's more difficult to conclude that the other driver was at fault. I didn't think Mrs P should bear the cost of that. Mrs P gave AXA substantial information on the day of the accident and it simply didn't act on that at all for some time, then it didn't pursue its investigation to a reasonable standard.

I agreed with the adjudicator and Mrs P that compensation of £200 in addition to the £150 AXA had previously paid is fair in relation to the delays Mrs P experienced in getting her car repaired. I noted that AXA has paid the additional £200.

As AXA's poor investigation affected its chances of successfully pursuing the other driver, I thought it should now record this as a non-fault claim on internal and external databases on Mrs P's record. It should also refund to Mrs P the policy excess she's paid and any additional premium it charged her as a result of it recording this as a fault claim. AXA should also pay interest on those refunds.

responses to my provisional decision

Mrs P accepted my provisional decision but we didn't receive a response from AXA.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Neither Mrs P nor AXA has provided any fresh information or evidence in response to my provisional decision. I therefore find no basis to depart from my earlier conclusions. For the reasons set out in my provisional decision and referred to above, I find that AXA delayed in dealing with the repairs to Mrs P's car and didn't pursue an investigation in relation to the other driver's fault in causing the accident.

To put that right, AXA should now record this as a non-fault claim on internal and external databases on Mrs P's record. It should also refund to Mrs P the policy excess she's paid and any additional premium it charged her as a result of it recording this as a fault claim. AXA should also pay interest on those refunds.

my final decision

My final decision is that I uphold Mrs P's complaint. I direct AXA Insurance UK Plc to:

1. Record the incident on 9 November 2016 as a non-fault claim on its internal and external databases.
2. Refund to Mrs P the policy excess she's paid.
3. Refund to Mrs P any additional premium it charged her as a result of it recording this as a fault claim.
4. Pay interest on 2. and 3. above at 8% simple* per year, from the dates of payments to the date of settlement.

*HM Revenue & Customs requires AXA to take off tax from this interest. AXA must give Mrs P a certificate showing how much tax it's taken off, if she asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 12 July 2018.

Louise Povey
ombudsman