

complaint

Mr and Ms C complained that when Mr C reported an incident under Ms C's motor insurance policy, AXA Insurance UK Plc wrongly recorded it on the insurance claims and underwriting exchange (CUE).

background

Mr C was a named driver under his wife's policy. He told AXA that he'd been driving when he was involved in an incident which wasn't his fault. He didn't want to make any claim and the other driver didn't claim either.

AXA recorded the incident as non-fault on the CUE database. Mr and Ms C complained that they shouldn't have done this as it meant that they had to pay more than necessary in premiums for their insurance later. They wanted AXA to compensate them for this and for the time and stress involved.

The adjudicator didn't recommend that their complaint should be upheld. He thought that AXA hadn't been unreasonable.

Mr and Ms C didn't agree and so their complaint has been passed to me to decide.

my findings

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

When Mr C reported the incident to AXA they recorded it on CUE and held their file open in case the other driver made a claim. But when that didn't happen, AXA closed the matter, recorded the incident as non-fault and told Ms C that it wouldn't affect her No Claims Discount.

They then took out a new policy with a different insurer. When that insurer discovered the record of the incident on CUE, it cancelled that policy from the start because Mr C hadn't disclosed the incident to them. Mr C complained to AXA. He said that AXA shouldn't have recorded the incident on CUE at all, as they hadn't made any claim. He believed that it was AXA's fault that the new policy was cancelled.

Mr and Ms C wanted AXA to remove the record of the incident from CUE. But AXA didn't agree. They said that it didn't matter whether anyone had made any claim as a result of the incident; they had acted in line with industry practice to note it on CUE as a non-fault accident, and they wouldn't remove it. Mr and Ms C then took out an alternative policy with another insurer but had to pay a higher premium for it than for the cancelled policy. The difference was about £300.

Mr C then told AXA that he hadn't been driving during the incident; that the driver had been someone else. He said that was another reason why the incident shouldn't be recorded on CUE in relation to him. However AXA didn't change their decision.

Mr and Ms C then complained to this service. The adjudicator didn't think that AXA had done anything wrong, and that they'd acted reasonably by recording the incident on CUE as this was in line with industry practice. Mr and Ms C disagreed and asked for the matter to be referred to an ombudsman. But before this happened, the person who claimed to have been the driver during the incident wrote to AXA confirming that.

Although Mr C had changed his account of who was driving, AXA agreed, as a goodwill gesture, to remove the record of the non-fault incident from the CUE database. So Mr and Ms C didn't continue their complaint with us.

Mr and Ms C then asked their broker to recalculate the premium with their current insurer, as if the incident hadn't been recorded against Mr C on CUE. They anticipated that their premium would reduce because of that. But in fact the incident on CUE hadn't made any difference to the premium which that insurer charged. In other words, the alternative insurer would have charged the same premium even if the incident hadn't been on CUE when Mr and Ms C bought the policy. This meant that the insurer wouldn't reduce the premium now.

Mr and Ms C remained unhappy. They complained to AXA again. They thought that AXA should pay them the difference between the premiums of the cancelled and the alternative policies. But AXA didn't agree and so Mr and Ms C brought this new complaint to us.

Mr C said that when he reported the incident AXA told him that it wouldn't affect anything. And so he felt that AXA had misadvised him. He felt that he wouldn't have reported it to AXA if he'd known that it might affect the cost of his insurance in future.

I don't think that Mr C's argument here can't succeed however. This is because the AXA policy required any incidents to be reported, even non-fault ones, so he did have to report the incident. And in any event he did report it.

And I don't think that there's anything to suggest that AXA misadvised Mr C. When he reported the incident he asked AXA if it would count if he were asked at renewal if he had been in any accidents in the last year. AXA said *"It shouldn't, no. It is something that our no claims discount team will have to advise you on."* I consider that AXA weren't giving Mr C definitive advice, because they said their claims team would need to comment. And at most AXA were referring to what might happen at renewal of the AXA policy, not what might happen generally. AXA wouldn't know what other insurers might do at renewal because all insurers consider different factors in rating risk. AXA couldn't reasonably be expected to comment on that.

I think that AXA's decision to remove the record of the incident from CUE was reasonable, particularly since Mr C had significantly changed his account of who was driving. However I also think that AXA's decision to record the incident on CUE in the first place was reasonable. It was information Mr C had given them and it was in line with normal industry practice to record such incidents, regardless of whether they became claims.

I consider that it would be unreasonable to expect AXA to compensate Mr and Ms C for the difference between the premiums charged under the cancelled policy and the new policy. I don't think that AXA can be expected to know how other insurers set their premiums and what factors they take into account. So it would be unfair to hold AXA responsible for one insurer taking the incident on CUE into account, or for the other insurer not taking the incident on CUE into account. Over all, I don't think that AXA should have to pay any compensation, as they haven't done anything wrong.

my final decision

For the reasons I've given above it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Ms C to accept or reject my decision before 18 February 2016.

Rosslyn Scott
ombudsman