

The complaint

Mr D has complained that AXA Insurance Designated Activity Company wrongly treated his claim under his motor policy for malicious damage to his windscreen as a vehicle damage claim and recorded this on the Claims and Underwriting Exchange (CUE). Mr D believes this caused his premium to rise significantly.

What happened

In June 2022 Mr D made a claim to AXA as a brick had been thrown through his rear window. AXA accepted his claim. Its engineer assessed the damage to Mr D's car and said the windscreen and some body work needed repair, which AXA then authorised and repaired.

Later in July 2023 when Mr D was renewing his policy with another insurer, he felt his premium had increased substantially. On discussing this with this other insurer Mr D said this other insurer told him he had a vehicle damage claim recorded on CUE. Mr D felt his claim should have been recorded as a windscreen claim only so he complained to AXA.

AXA acknowledged its communication with Mr D over how his claim would be recorded on CUE was absent. So as a gesture of goodwill it offered to pay the difference between the excess for the claim which was £200 as it was classed a vehicle damage claim and the excess for a windscreen claim which was only £75. Therefore, it paid Mr D £125 compensation.

Mr D remained dissatisfied, so he brought his complaint to us. The investigator didn't think AXA had to do anything more. More specifically she felt the claim had been recorded correctly on CUE and she thought the compensation offered due to poor communication was fair.

Mr D didn't agree so his complaint has been passed to me to decide.

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.

Having done so, I'm not upholding this complaint. I'll now explain why.

First, I am aware that Mr D has now raised issues with the standard of repairs which AXA did to his car following the brick being thrown through his rear window. I'm afraid this complaint won't deal with any of this as Mr D first has to raise a complaint to AXA about the repairs which if AXA can't resolve, Mr D can then take that complaint to us if he wishes.

The complaint Mr D has raised here, and which AXA has answered merely concerns about how the claim was recorded on CUE and indeed whether that made any difference to his premium amount going forward.

AXA has shown us that it did repair Mr D's rear windscreen and some body work to the rear of his car. It showed us that its description of 'other motor incident' gets registered on CUE as 'other RTA incident.' As I understand it, the word 'other' means it's not being classed as a road traffic 'accident.' Any other insurer checking CUE would also know this. Therefore, I consider AXA did nothing wrong in recording the incident as it did on CUE. Certainly, there is no evidence before me to show it's not showing up properly, as Mr D said this other insurer said to him.

Mr D said his policy renewal is annually in July. This incident and the repair of his car was completed in June 2022. And when he renewed his policy with AXA in July 2022, his premium was less than it was the previous year, despite this incident.

However, when he went to buy a policy in July 2023 from another insurer, he said his premium was then much higher. And Mr D said that other insurer said it was because of this incident as recorded on CUE. I can't comment on what that other insurer might have said to Mr D or indeed comment whether what that other insurer said was correct either, as here I can only consider what if anything AXA did wrong.

Each insurer rates risks differently according to what risks it wants to cover and what risks it doesn't. It's part of each insurer's commercial discretion and individual business plan. So, it's perfectly feasible that a consumer can apply to two different insurers presenting the same risk but get two different premium prices. There might also be differences as to whether such things like getting a courtesy car whilst the policyholder's car was repaired was included in the premium price too, etc. So likewise in Mr D's case, there is nothing stopping one insurer placing a higher premium on this sort of incident on Mr D's CUE record, whereas for another insurer it might not affect the premium price at all. That's why many of us might shop around on comparison websites before deciding on which insurer suits us best.

So, given I consider AXA did nothing wrong in its recording of this incident on CUE given the damage to Mr D's car, and given insurers can rate risks differently, it remains that there is nothing to show me AXA has done anything wrong here. It did however fail to explain this to Mr D. Certainly, AXA isn't involved in any way in how any other insurer might rate this incident when that other insurer is calculating the premium for the policy.

Also, insurance premiums across the whole of the motor insurance industry increased in 2023 due to the increased cost of parts and other motor industry issues. So, it's possible that that general increase might have also affected the premium price quoted to Mr D, by this other insurer.

But far more importantly I can't verify what this other insurer said to Mr D as this complaint is solely against AXA. But as regards the malicious damage claim Mr D made on his AXA policy, it's clear to me that AXA hasn't done anything wrong in how it recorded this on CUE given the damage to the rear window and the rear of Mr D's car.

AXA acknowledged it should have explained this to Mr D at the time, so it effectively paid him £125 compensation for this failing in its lack of communication. I consider that's appropriate and fair. Such an amount of compensation for such a lack of communication is in line with our stance on such matters, which is more fully detailed on our website.

My final decision

So, for these reasons, 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 D to accept or

reject my decision before 11 April 2024.

Rona Doyle
Ombudsman