

The complaint

Mrs E complains about how AXA Insurance UK Plc ("AXA") decided liability and handled a claim under her motor insurance policy.

What happened

Mrs E had a motor insurance policy with AXA.

In April 2023 she was involved in a low-speed collision with a third-party vehicle in which the vehicles' drivers' sides clashed when driving towards each other on a narrow road.

She contacted AXA and told it about the incident on a notification-only basis. She said her car had a mark on it that basically washed off, and the third-party vehicle showed some slight damage. She thought the collision wasn't her fault.

AXA told her it would update her.

A few months later, Mrs E received her renewal notice. Her premium had increased significantly.

She called AXA to find out why. She struggled to get through to it and then to speak to a person with sufficient authority and knowledge.

AXA told her that the third party had made a claim against her. It apologised for not keeping her up to date and sent her a cheque for £50.

Mrs E continued to have difficulties speaking with AXA about the claim. It apologised and sent her a further cheque for £100. Mrs E didn't cash either cheque.

She brought her complaint to this service. Our investigator looked into it and thought AXA's offer of £150 compensation was fair. He also said AXA's policy wording allowed it to settle a claim as it wished.

Mrs E didn't agree with the view and asked that her complaint was reviewed by an ombudsman. So, it has been passed to me to make a final decision.

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.

I note that Mrs E has provided several detailed submissions to this service regarding various aspects of her complaint. I'd like to thank her for these, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's informal role nature.

Having read the file of evidence I've been provided, I'm not going to uphold this complaint. I

appreciate this will be a disappointment for Mrs E and I'll explain why I've decided this.

It's important I say that it's not the role of this service to determine fault for a particular incident. Our role is to determine whether a company has acted fairly and reasonably towards Mrs E.

I will also mention that the word "fault" in the context of motor insurance doesn't necessarily relate to who is at fault 'on the road' for the collision that happened. It's about whether AXA is able to recover its costs from a third party.

So, it may describe Mrs E as being held at "fault" for the collision and damage, when she believes she wasn't responsible, but this is because AXA wasn't able to say that the third party was fully responsible for the collision and hence fully recover the costs from that third party.

Mrs E has said that the third party was also insured with AXA, so when I talk about recovering costs from the third party, I really mean allocating those costs to the third party's policy. I hope that explanation helps Mrs E.

This is a common approach across the motor insurance marketplace.

I've read the file of evidence I've been provided and I can't see any definitive independent evidence about what went on in April 2023 when the two vehicles collided. I understand from her evidence that Mrs E is adamant that the collision was caused by the third party.

Perhaps she may understand the situation AXA is in, if she considers that this same third party might also have told AXA that the collision was entirely the fault of Mrs E.

Without any further evidence being available, such as dash cam or external CCTV, AXA has adopted a 50/50 stance on liability. Considering the nature of the collision and the lack of this further, independent, evidence, I think this approach is fair and it's in line with AXA's policy wording that allows it to:

"...take over, defend or settle the claim..."

I'd also point out that AXA settled the claim on a 'without prejudice' basis, which means that if Mrs E wishes to pursue the matter further in court then she's free to do so.

It's clear from the file that AXA's service to Mrs E throughout her claim hasn't been very good. I can see she's struggled to access AXA on the phone, and then has been passed to different departments incurring more time on hold, all while not being able to speak to anyone with sufficient authority to answer her questions or deal with her effectively. She has said this has caused her distress and sleepless nights.

Mrs E has also talked about her reluctance to re-insure her car following the claim, meaning she took it off of the road and drove a second car instead.

I've thought carefully about Mrs E's situation. The claim on her policy has clearly affected her renewal premium, partly because it was an 'open' claim when her renewal was due, and because she'd lost some No Claims Discount after being held at 50/50 fault for the collision. But I've said above that I think AXA settled the claim fairly under the terms of her policy so I can't fairly say it's responsible for the premium change at renewal.

The motor insurance marketplace has also seen some significant price changes during recent times which may have further increased Mrs E's renewal premium.

But I think AXA's actions during the claim have been poor. I note that Mrs E hasn't cashed the cheques paid by AXA which total £150 and I've thought about the amount of compensation this service's guidelines would recommend. I think the total amount offered by AXA is fair and reasonable and I'm not going to ask it to pay more.

If Mrs E wishes to accept the compensation then she can proceed to cash the cheques, but if they've expired then I'd ask AXA to reissue them on request.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 17 May 2024.

Richard Sowden
Ombudsman