

The complaint

M, a limited company, is unhappy with AXA Insurance UK Plc's (AXA) handling of a claim made under their haulage vehicle policy.

Any references to AXA include their agents. As Ms S has been the primary contact for M, I'll also refer to her directly.

What happened

In May 2023, a truck owned by M was involved in an incident. The truck and trailer were recovered to a garage and inspected, and the necessary parts were ordered. Ms S says she frequently asked for updates and was told the garage was waiting for parts from the manufacturer. The repairs were completed in mid-August.

Around the same time, Ms S was contacted by AXA's repairer asking if she was aware of any issues with the gearbox ECU. As Ms S wasn't, she told AXA she wouldn't be confident taking receipt of the truck without it being in full working order. Ms S and AXA agreed the truck would be taken to a local garage.

After inspecting the truck, the local garage told Ms S the replacement parts weren't genuine manufacturer parts and she remained concerned about the issue with the ECU. Ms S believed the damage could have been caused by the batteries becoming flat whilst waiting for the repairs to be carried out. M's garage provided a quote for repairs to the ECU which she sent to AXA, but she didn't receive a reply. So, Ms S referred M's concerns to the Financial Ombudsman Service.

As AXA hadn't responded to M's most recent concerns, we asked them to review these. In January 2024, AXA issued their final response letter. This said they'd consider any trailer charges incurred by M whilst it was with their repairer. But they considered the fault with the ECU wasn't related to the incident so any repairs wouldn't be covered by the policy, and they'd been told by the manufacturer the fault was fairly common in the vehicle M owned.

AXA said if M could provide a report from a main dealer showing the fault had been caused by the incident, they would consider reimbursing any repair costs. AXA offered a total of £225 compensation for the inconvenience caused.

One of our investigators considered AXA's handling of the claim. She said it hadn't been shown the damage to the gearbox ECU was caused as a result of the accident, but AXA's offer to consider a report from the main dealership was fair in the circumstances. Ms S didn't agree, so this matter 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.

AXA has confirmed they'd consider any charges related to the trailer for the period it was onsite with their repairer. This offer was made on the basis AXA says they shouldn't have collected the trailer. Ms S has since told us these costs have been paid and this part of M's complaint is resolved.

The outstanding issue to be decided is the fault with the ECU and whether the repairs should be covered by AXA. There's no dispute the report from the manufacturer identifies a fault with the ECU.

However, in order for me to say the repairs should be covered by AXA I'd need to be persuaded there was evidence the fault was caused by the incident that led to the claim or as a result of AXA's handling of the repairs. The report from the manufacturer doesn't identify how the fault occurred, only that it's present.

Ms S provided a report from August 2024 which AXA initially said shouldn't be considered as it was obtained after the date of their final response letter. Though they've since provided their comments on this report. I've considered the report and AXA's comments in response.

This report states the engineer hasn't carried out an extensive investigation (noting that even if one had been carried out it may not provide certainty) but concluded flat batteries and jump starting are all possible causes of the ECU failing.

However, whilst I note the contents of this report, it doesn't offer any definitive evidence that either the impact or AXA's storage of the truck led to the fault to the ECU developing. I appreciate what Ms S has said about the truck operating and driving as expected before the incident, and then the fault appearing to develop when it was moved and stored by AXA.

AXA's account of this damage is that it's occurred as a result of wear and tear, and they've been told by the manufacturer it's a fairly common fault with this type of truck. I'd say that if definitive evidence these actions led to the fault developing this should be provided to AXA to consider in the first instance. But as there's no conclusive evidence the incident or AXA's handling of the repairs led to the fault developing.

I don't consider the reports persuaded show AXA is responsible for the damage, or that it was caused by the incident that led to the claim. I'm sorry to disappoint Ms S when I say I don't consider AXA unfairly declined M's claim, and I'm not going to require it to take any further action to put things right.

In terms of the £225 compensation offered by AXA, I consider this is appropriate in the circumstances to compensate M for the inconvenience experienced, given they had to chase up the progress of the repairs a number of times. I'm not going to require AXA to increase this offer or pay anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 14 January 2025.

Emma Hawkins

Ombudsman