

complaint

Mr S has complained about the service he received from AXA Insurance UK Plc following a claim on his motor insurance policy.

background

In November 2016 Mr S was stationary in his car when it was hit by a motorcycle. AXA arranged repairs to his car and looked to recover the costs from the motorcyclist's insurer. However both the motorcyclist and Mr S said each other were to blame for the accident. In May 2018 the case went court and Mr S was found not to be at fault. AXA said it closed the claim as non-fault and reinstated his no claims discount (NCD).

Mr S complained to AXA. He said it hadn't updated him throughout the claim and he had to chase it. He thought he was the only one trying to defend his version of what happened. AXA agreed it hadn't dealt with things as well as it would have liked and paid him £100 compensation for his distress and inconvenience.

Mr S remained unhappy and brought his complaint to our service. He said his premium had increased at renewal due to the length of time the claim was open for and because his NCD was reduced. AXA said it had recalculated Mr S's premium once it had been closed on its system as a non-fault claim and reinstated his NCD.

Mr S didn't think he'd had any refund. AXA said Mr S had changed the car on his policy which had increased his premium and then cancelled it. It said when it recalculated his premium it did this by readjusting some his future payments and by removing some of the arrears on his account. Mr S also said that the claim was showing as 'fault' on the Claims and Underwriting Exchange (CUE) which is a shared database used by insurers and this was causing him problems trying to buy insurance elsewhere.

AXA said its system had recorded the claim correctly and it had contacted CUE to update the record. But it didn't think it was to blame that CUE hadn't updated more quickly. However AXA agreed it could have handled the claim better and agreed to pay Mr S and additional £350 compensation. While our investigator was looking into Mr S's complaint AXA also offered a further £100 compensation to make a total of £550.

Our investigator thought the initial £450 was enough for AXA to compensate Mr S. He said AXA had caused some delays and hadn't kept Mr S updated during the claim. But he thought AXA had shown that it had appropriately recalculated Mr S's premium following the court ruling. He said Mr S could also choose to accept the additional £100 if he wanted to.

Mr S didn't agree and asked for further compensation. As our investigator didn't recommend further compensation Mr S asked for an ombudsman's decision.

my findings

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 satisfied £550 is a fair and reasonable amount of compensation for AXA to pay Mr S for his distress and inconvenience.

claim handling

I don't find it unusual for a claim where both parties hold the other at fault to take some time to resolve, especially where the matter goes to court. So I've considered whether AXA caused any additional delays to this process. I can see the motorcyclist's insurer contacted AXA in January and February 2017 to say they hadn't received information they'd requested, so I think it's likely AXA caused some delay by not responding. I can see that AXA worked on the claim over the following months but seemed to have all the information it needed by the end of August 2017. Mr S called AXA twice in the next few months for an update but a court date wasn't set until the end of January 2018.

Each time Mr S called he was told the claim was being reviewed. But given AXA had all the information it needed I think it could have done this more quickly. I think it's likely AXA caused some delay here. I can also see that AXA didn't keep Mr S updated and he had to chase to find out what was happening.

I can understand why Mr S felt that he was the only one trying to show his version of events was correct but I'm satisfied AXA supported Mr S appropriately by obtaining expert reports and taking the case to court. However I agree that AXA caused some delays and didn't keep Mr S updated and I think it's fair and reasonable it compensates him for that.

premium increase

I can see that Mr S had to pay an increased premium because he had an open claim on his policy and reduced NCD. As the matter went to court I think it's unlikely it would have been resolved before Mr S's renewal in September 2017 even without any additional delays. So I don't think AXA's at fault for the claim being open at that point. But I do think it's fair for AXA to have recalculated his renewal premium based on his claim being non-fault.

AXA said Mr S changed the car on his policy a few months after it renewed and that meant his premium increased by £540.60. It said when the claim closed as non-fault his premium reduced by £401.61.

As Mr S was paying in instalments and had arrears on his account AXA didn't give him a cash refund. I can see from screenshot's AXA's provided it used £220.02 to clear Mr S's arrears and reduced his future payments by £181.59.

AXA said the policy didn't run for the full year as it was cancelled due to Mr S not paying his premium. So the £209.78 refund that would have been due to Mr S in July 2018 when the policy cancelled was used to clear some of the arrears on his account. I understand Mr S has paid the remaining premium to bring the account up to date. Having considered the information AXA's provided I'm satisfied it recalculated Mr S's premium after closing his claim following the court ruling.

CUE

AXA said it updated its own records as soon as it had confirmation that Mr S wasn't at fault. I can see AXA contacted CUE to ask for this to be amended when it found out it hadn't automatically updated. I'm satisfied AXA did what it could to make sure the record was amended and I don't think it's AXA's fault it took a while once it had made the request. I understand CUE has now updated to reflect the claim correctly.

Mr S has clearly not received the service he'd expect from AXA and he's also experienced difficulties outside of AXA's control, such as CUE not immediately updating. I accept he's experienced distress and inconvenience as a result of how AXA's dealt with the claim as he's had to chase to find out what's been going on and he's had the worry of what's going to happen going on longer than it should have done. So I think it should compensate him for that.

I recognise Mr S's strength of feeling about what's happened and why he feels AXA should pay him more than £550. But when considering other awards our service makes for cases of similar seriousness I'm satisfied the £550 AXA has now offered is a fair and reasonable amount to put things right.

my final decision

My final decision is that I uphold this complaint and require AXA Insurance UK Plc to pay Mr S £550 (minus anything it's already paid him) to compensate for his distress and inconvenience.

AXA should pay this within 28 days of us telling it Mr S's accepted my final decision. If it pays later than this it should add interest to any outstanding amount at 8% simple per year from the date of the decision to the date it makes payment.¹

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 March 2019.

Sarann Taylor
ombudsman

¹ If AXA considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.