

complaint

Mr B's complained that AXA Insurance UK Plc recorded an accident on the Central Underwriting Exchange (CUE) even though no claim was made under his motor insurance policy.

background

Mr B was involved in an accident in 2013. He reported it to his insurer, AXA. He admitted he caused the accident as he'd reversed into the other driver's car.

AXA contacted the other driver's insurer. But they agreed for Mr B to settle the costs for the damage to his car directly with the other driver. So AXA didn't have to pay any costs for the accident. It recorded the incident on the CUE database.

Mr B bought a motorcycle policy this year through a broker. The broker contacted him to say he hadn't disclosed a claim from 2013. As a result, he needed to pay a higher premium for his insurance policy.

Mr B complained to AXA. He said it wasn't fair for it to have recorded the incident as it had an impact on his premiums. Because no claim was made, there was no reason to record it.

But AXA said it had acted correctly by recording the accident as a non fault claim as an accident did happen.

Mr B remained unhappy, so he brought his complaint to us. The adjudicator who investigated it didn't recommend it should be upheld. She thought AXA had done nothing wrong.

Mr B didn't agree. He feels he's prejudiced by a claim which has been used by brokers and insurers to increase his premium when no claim was ever made. This could discourage people from notifying insurers of an accident.

So the matter 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. Having done so, I don't intend to uphold it.

Many insurers are signed up to CUE, which is a database insurers agree to update with all incidents or claims to help prevent fraud. AXA told Mr B it had recorded the claim as a non fault claim on CUE. We've checked what AXA recorded under CUE - and it recorded the incident as a 'notification only'. This is correct as a claim for costs wasn't made - but it had been notified of an incident.

Some insurers charge a higher premium depending on what is recorded on CUE as it might indicate a higher risk of a claim in the future. We don't interfere with how much an insurer charges for a premium in the market place- as long as it applies its charging structure fairly to all of its customers. Mr B may want to follow up any of these concerns with his broker or new insurer.

In this case, as AXA has correctly recorded on CUE that it was notified of an incident, I don't think it's done anything wrong. An incident did take place. And while Mr B feels it might deter customers from reporting incidents, it's a common contract term in most motor policies for a policyholder to tell their insurer of an incident, even if no claim is made.

I understand Mr B will be disappointed with my decision. But I don't think AXA has been unreasonable to him as it's correctly recorded the incident on the CUE database.

my final decision

For the reasons I've given 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 Mr B to accept or reject my decision before 30 January 2017.

Geraldine Newbold
ombudsman