

The complaint

Mr T complains about how AXA Insurance UK Plc ("AXA") dealt with a claim he made on his motor insurance policy after he was involved in a road traffic accident.

Reference to AXA includes its agents.

What happened

Mr T has comprehensive motor insurance with AXA which began in September 2021.

Mr T was involved in a road traffic accident in October 2021. He says a third party drove into his vehicle and then drove off. As a result the front and right-hand rear of his car were damaged as his car was shunted from the front.

Mr T obtained the third party's details and reported the matter to his insurer. AXA arranged for his car to go to a garage to be repaired.

When the repairs were completed the car was returned to Mr T. He says when it was returned the car wasn't fit to drive. Mr T contacted AXA who told him he had to use a specific garage for the repairs to be covered under the policy.

Mr T's car wasn't repaired to his satisfaction, there were a number of issues with the accident repairs and he wasn't happy with the work the garage had done. Mr T says the garage also caused significant damage to his car whilst they carried out the repairs. And so the car was sent back to the same garage to carry out further repair and rectification work.

Mr T was unhappy with the service he received from AXA. He says there have been a number of issues with the accident repairs together with significant delays, which have ended up costing him more money. So he complained.

AXA responded to Mr T's complaint with six final response letters covering a number of complaint points. AXA accepted the service provided to Mr T fell below what it would have expected and paid Mr T over £1,000 in compensation. It also arranged for Mr T to have a courtesy car for the duration of the repairs.

Whilst the car was economical to repair, in an effort to amicably resolve the complaint, AXA were prepared to agree a total loss. Mr T didn't agree. And so a lengthy joint inspection was carried out and a number of actions were agreed.

Following completion of the repairs AXA made an offer on some remaining issues still in dispute. AXA offered Mr T a further £1,028.21 broken down as follows;

£240 for two alloys
£692.35 for the seat cover
£42.78 for the first-aid kit and warning kit
£35.08 for the tyre compressor refill
£18 for the seat base clip

Mr T didn't accept this offer. He said the offer didn't take into account any of the labour costs involved in fitting the parts. AXA explained it wouldn't consider labour costs since the offer was made as a gesture of goodwill. It did not accept it had caused the damage to the parts mentioned above.

Mr T wasn't happy with the response from AXA and so he referred his complaint to this service. Our investigator looked into things and upheld the complaint. He said the issues raised by Mr T, such as the damage to the alloy wheels, the missing first-aid kit, and the damaged passenger seat amongst other things, were not backed up by any independent evidence, and so the offer made by AXA in settlement of the claim was fair. The investigator suggested that if Mr T had any evidence such as high-resolution photographs of the pre-accident alloys then he should forward them to AXA for consideration. The investigator said he thought AXA's offer of £1028.21 in lieu of repairs was fair and said AXA should pay Mr T a further £400 to reflect the distress and inconvenience caused to him.

Mr T didn't agree with the investigator's outcome. He said he didn't think AXA's offer took into account the labour charges on repairing the car. He also said the investigator had overlooked a number of issues with his car that were caused directly by the repairing garage.

Because Mr T didn't agree the complaint has come 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 upholding this complaint. I'll explain why.

I know Mr T has raised a number of issues in respect of AXA's handling of this claim. I haven't detailed each one, instead I have focused on what I consider to be the key issues. It is also not my intention to minimise the effect the claim has had on Mr T. I recognise the impact the matter has had and I empathise with the difficulties he has clearly faced.

I've no doubt Mr T has done all he can to try and move the claim along and obtain updates from AXA. To be clear I am only considering matters up until 3 March 2023 when the final accident-related repair and rectification was completed. Anything that occurred after this date falls outside the scope of my investigation.

It's important to explain that my role here is to look at whether AXA acted in a fair and reasonable manner, and within the terms and conditions of the policy in its handling of the claim.

The relevant industry rules say an insurer should handle claims promptly and fairly and shouldn't unreasonably reject a claim. AXA accept the claim wasn't dealt with as it should have been. There were delays, a lack of communication from the repairing garage, and issues with some of the repairs. And in recognition of that it has paid Mr T compensation, agreed to carry out further repairs, and provided Mr T with a courtesy car throughout the repair process. So it isn't my intention to discuss these issues further here.

Vehicle repairs

Mr T wasn't happy with the repairs carried out by the repairing garage and has said the garage caused further damage to his car.

I can see AXA have attempted to resolve these issues for Mr T by arranging an inspection of the vehicle and agreeing further repairs.

Mr T has made various claims that his car has been damaged by the repairing garage and has said he has evidence to support his claims. Despite requests for the same I can't see that Mr T has provided any evidence to show the garage caused the damage to his car. And in the absence of any independent evidence I can't reasonably ask AXA to take any steps to rectify the damage.

Damaged alloys

Mr T says the repairing garage has damaged his alloy wheels. The garage has denied this is the case and said any damage to the alloys is pre-existing. AXA asked Mr T to provide it with evidence to show the alloys weren't damaged before it went in for repair. But I can't see Mr T has provided this evidence. And without evidence to show the garage damaged the alloys I am unable to compel AXA to take any further action here.

Balloon payment

Mr T says he had to refinance the agreement on the car since he was unable to return it and the balloon payment became due. Mr T says the payment was around £8,000 but the refinance has cost an additional £3,000 and a year's further payments.

Mr T hasn't provided any evidence of the balloon payment which was due, or the extension of the finance agreement and what that cost him. And so I am unable to ask AXA to take any action in respect of this.

On review of the information provided to me by both parties I think AXA has done enough to try and resolve this matter for Mr T. I can see AXA tried to work with Mr T taking into account the issues with the repairs and the delays in obtaining parts, to the best of its abilities. Particularly where some matters weren't covered under the policy.

I recognise the impact this complaint has had on Mr T, and I understand why he feels unfairly treated by AXA. He feels it should ensure all the repairs and replacements to his vehicle should be undertaken at no expense to himself. But for me to say AXA should cover the cost of the work I need to be satisfied there is a link between the repairs carried out by the garage and the subsequent damage to Mr T's car. And in this situation I don't think that's the case.

AXA has already covered some costs of the claim for Mr T. I think AXA tried to be fair to Mr T but it doesn't have a never-ending liability to him or this claim. And so I think it is appropriate to now bring the matter to an end and settle things fairly. I am therefore upholding Mr T's complaint but I realise my directions to put things right will disappoint him since I'm not requiring AXA to meet Mr T's outstanding claim for repairs to his car.

Putting things right

When thinking about what AXA should do to put things right any award or direction I make is intended to place Mr T back in the position he would have been in had AXA acted fairly in the first instance.

And had AXA settled the claim fairly in the first instance I don't think Mr T would have needed to continue to engage with AXA, the repairing garage, and this service in an attempt to resolve the matter. I'm satisfied this has taken time and effort from Mr T, and I don't doubt

it would have been both stressful and upsetting. Our investigator recommended AXA pay Mr T £400 to recognise the trouble and upset. And I think this recommendation is a fair one, that falls in line with our service's approach and what I would have directed, had it not already been made. So I intend to direct AXA to pay this additional amount.

My final decision

My final decision is that I uphold this complaint for the reasons detailed above.

I require AXA Insurance UK Plc to:

1. Pay Mr T £1,028.21 as it had originally offered
2. Pay Mr T £400 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 August 2023.

Kiran Clair
Ombudsman