

The complaint

Mr A complains about AXA Insurance UK Plc and the service he received after he notified them of his involvement in a road traffic accident.

What happened

Mr A had a motor insurance policy with AXA, in January 2021 he said he was involved in a road traffic accident that wasn't his fault. Mr A used the services of a claims management company (CMC). Mr A wasn't happy as he'd had to pay a substantial amount, for the costs of the accident - £5,000. He said that AXA had offered to pay towards his repair costs but hadn't. So, he wanted to be compensated for this. He complained to AXA.

AXA said they hadn't handled his accident claim so they wouldn't reimburse Mr A's repair costs as these had been settled with the CMC. But accepted they'd failed to act on an email sent by Mr A's intermediary. To compensate Mr A for their failing in customer service they offered him £150, and a further £25 as a gesture of goodwill as they'd hadn't complied with their complaint handling timescales.

Mr A wasn't happy with AXA's response and referred his complaint to us.

Our investigator said the main crux of Mr A's complaint was about how his accident claim was handled. As AXA didn't handle Mr A's complaint, he couldn't say they'd done anything wrong. But there was a delay in responding to Mr A's request for help with the reimbursement of his costs. But our investigator said the way AXA had put this right was fair and reasonable.

Mr A didn't agree and asked for an ombudsman 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've reached the same outcome to the complaint for broadly the same reasons as our investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached this decision, I think it would be useful for me to explain exactly what I've been able to consider.

CMC's can offer what are known as accident management services, which means they would provide certain services to someone who'd been involved in a road traffic accident that wasn't their fault. For example, they would typically arrange a hire car, where needed, organise repairs, or determine the pre-accident value of the car if it's deemed non repairable and then claim these costs back from the 'at fault' third party insurer (TPI). The advantage to

the non-fault driver is that as they don't make a claim against their own motor insurance policy. This means they don't have to pay their motor insurance policy excess and there isn't any impact on their no-claims discount if they have one.

Mr A said he wasn't at fault for the accident as his car was hit whilst parked and unattended. I can see Mr A chose to use the services of a CMC to handle his non fault claim. I can't see that AXA referred Mr A to the CMC or that they were acting as their agent so the progression of his claim and the way it was handled falls under the responsibility of the CMC not AXA. So, I haven't considered the activities or actions of the CMC as part of this complaint, only whether AXA has acted fairly and reasonably in their actions with Mr A.

From what I can see the TPI accepted liability prior to it being decided in court. In July 2022 Mr A asked AXA to consider the costs under his motor insurance policy. An intermediary for him told AXA that Mr A was invoiced for the repairs and wanted this to be dealt with by them.

I can see that AXA said they'd consider the costs of the repairs but not the costs associated with any hire car that had been provided. And that before considering the repair costs they needed to see images of the damage to Mr A's car and a full engineer's report. But it wasn't until October 2022 when Mr A sought an update about what was happening that AXA looked into whether they could provide any assistance to Mr A with the repair costs. I can see the intermediary sent the requested documentation as well as email confirmation that the TPI had accepted liability.

I can also see that In July 2022 a settlement was agreed between the TPI and Mr A's solicitors for the cost of the accident, and a payment of £5,000 was sent to the solicitors acting for him. I can also see the solicitors said they'd send the payment onto the CMC to pass onto Mr A.

I know this has been a frustrating time for Mr A as he said the settlement hasn't been sent to him. And even though he wasn't at fault for the accident he's had to pay £5,000 for the accident's repair and hire car costs plus solicitor's fees. But I can't direct AXA to pursue the settlement costs of the repairs for Mr A with the TPI as the claim was settled by them in July 2022, and the settlement payment was sent to representatives acting for Mr A. It will be for Mr A to pursue the settlement payment either from the CMC or the solicitors who acted for him.

But AXA by not responding as quickly as they could have to Mr A's request for assistance added to the distress and inconvenience he experienced. I can see they've offered £150 for this which I think is fair and reasonable.

I can also see they've offered Mr A £25 as they didn't respond to his complaint within the agreed timescales. Our jurisdiction and remit for complaint handling will be dependent on the precise nature of the complaint and its surrounding circumstances. As Mr A hasn't asked us to consider this element within his complaint, I won't comment on this further.

My final decision

AXA Insurance UK Plc has offered Mr A £150 to settle this complaint. I think that's fair in all the circumstances, so I don't require AXA Insurance UK Plc to do anything more to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 August 2023.

Anne Scarr
Ombudsman