

The complaint

F, a limited company, complains about the number of claims AXA Insurance UK Plc ('AXA') recorded against its Management Liability Policy and the subsequent impact this had on its policy premiums.

All references to AXA in this decision include its claims handlers.

F's complaint is brought by a representative on its behalf, but I shall refer to all submissions as F's own for ease of reference.

What happened

F has held a Management Liability Policy with AXA since 2020. On renewal AXA increased the policy premiums. F says these initially started at roughly £540 but have since increased over the years to £2,550 at its latest renewal.

F says that when it queried these premiums, AXA quoted several claims F had made as the reason for the increase. F is unhappy with this. It says that AXA have quoted four claims in some correspondence and three in others. It also says that they shouldn't have all been recorded as claims but rather requests for advice as F didn't pursue them all as claims. Because of this, F says the policy premiums applied by AXA are unfair.

AXA on the other hand, have said the policy premiums applied reflected the claims or potential claims F had asked about making in accordance with the reserve applied to them. They also said that F was supplied with client engagement letters by their agents in response to the enquiries F made which clearly explained that claims were being made under the policy and investigated. They also say their agents provided detailed support to F in respect of its claims. AXA made further reference to their agents appointing lawyers to assist F on at least one of its claims. Overall AXA didn't uphold F's complaint. But it did offer it £25 for the delay in providing a response to it.

Our investigator considered F's complaint and upheld it. She initially said AXA hadn't shown the premiums they'd charged F were fair because they hadn't evidenced what those claims were for or shown the impact of this on the price of the policy, with reference to underwriting criteria. AXA then provided some further information. In response to this, the investigator still remained of the view that F's complaint should be upheld, but only to the extent that AXA couldn't evidence why it had charged F £837.66 as this didn't appear to accord with the underwriting increase applicable to the claims. So, she directed AXA to reimburse F for this together with interest at 8% per year simple from the time the premium was paid until it's reimbursed.

Neither party have accepted the investigator's view, so the matter has been passed to me to determine.

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 uphold F's complaint for broadly the same reasons and in the same way set out by the investigator.

The evidence in this complaint is limited. But from what I've seen, at least three claims were notified to AXA and or its agents by F. Those are cited by the investigator more specifically in her view, so I don't intend to repeat them here, save to say that whether those claims were made to AXA direct or to their agents, makes no difference. They were notified. And whether they amounted to requests for advice only or assistance, that were later abandoned, AXA treated them as claims made on the policy. I don't think that was wrong. When a policyholder approaches an insurer for help with a problem it's insured to assist with, I think it's reasonable that the matter be treated as a claim on the policy, whether or not it's accepted, unless the policyholder specifically makes clear it's only notifying the insurer of an issue. The latter may well still lead to an increase in policy premiums, but it's distinguished from a claim in this way.

In this case, I haven't seen anything to suggest that the matters F contacted AXA, or its agents about didn't amount to claims. The fact was it was asking for advice and help with three matters, so I don't think it was wrong for AXA to treat those requests as such. I appreciate that those matters might not have all been pursued but I don't think this makes any difference.

I note that AXA had previously referred to four claims in correspondence to F. From what I've seen this seems to have been an error and that one of the previous three claims was duplicated but later corrected. The communications I've seen from AXA since then outline that only three claims were considered in determining the policy premium for future years.

F is unhappy about the increase in policy premiums. Whilst I can't determine what an insurer is and isn't able to charge in relation to its policies, I am able to comment on whether AXA acted reasonably when doing so. By this I mean that AXA needed to treat all its customers fairly. As such I've considered the evidence AXA have provided in relation to its underwriting requirements applicable to the claims F made to ensure they've taken a consistent approach to pricing F's policy. Having done so, I'm not satisfied that AXA acted fairly.

Based on what their underwriter has said, it looks like the three claims F made should have resulted in an increase in policy premium to £1,203.67 in 2021 rather than £2,041.33, which is what F was charged. I've seen nothing to support why AXA charged F more than this and as such I think they should reimburse

for the difference. I've set out how AXA needs to put things right in more detail below.

Putting things right

AXA should:

- Refund the additional amount charged to F of £837.66 for its policy premium.
- Pay F interest of 8% per year simple from the date F paid that premium, until its reimbursed.

My final decision

I uphold F's complaint against AXA Insurance UK Plc and direct it to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 22 February 202four.

Lale Hussein-Venn
Ombudsman