

The complaint

Miss A has complained about her car insurer AXA Insurance UK Plc because it agreed to consider repairing her car, but still had it collected by its salvage agent. Also because she was not provided with a courtesy car.

What happened

Miss A's car was damaged whilst it was parked. She was pregnant at the time, made a claim to AXA and asked for a courtesy car to be provided. AXA said it would only offer a courtesy car whilst the car was being repaired. Its salvage agents were due to collect the car for inspection, Miss A asked that AXA's repair network collect the car instead and AXA agreed – although it confirmed a courtesy car would still only be provided if her car was repairable.

That same day the car was collected. And Miss A then found out it was AXA's salvage agent which had collected it. Not the repair network as agreed. The car was later deemed a total loss. AXA settled Miss A's outstanding finance on the vehicle and paid her the balance of a total loss settlement. Miss A felt the car was only found to be a total loss because the salvage agent had collected it in contravention of the agreement she'd reached with AXA. She thought that if things had happened as agreed, she'd have been given a courtesy car and her car would have been repaired. She particularly thought that was the case because her car was subsequently sold on by AXA and passed an MOT. Miss A noted she had not been given an opportunity to keep the car.

AXA said that Miss A had not been entitled to a courtesy car under her policy. It said it had cancelled the salvage agent's instructions as agreed – but it was already on its way to collect the car. It didn't think that had changed anything though – the damage would always have meant the car was a total loss. Which would also have meant no courtesy car would have been provided. Miss A complained to the Financial Ombudsman Service.

Our Investigator didn't think AXA had done anything wrong. She noted AXA could choose how to settle claims and took into account the damage to Miss A's car. She didn't think it having subsequently passed an MOT meant AXA's decision to view the car as a total loss was unfair. She felt the detail of the damage meant the claim outcome wouldn't have changed even if the repair network had collected the car. She felt Miss A, if she'd wanted to, could have asked to keep the car. Our Investigator noted Miss A had said she'd had trouble getting through to AXA on the phone. But she felt that was the normal type of inconvenience which comes with having to make a claim.

Miss A said AXA had failed to provide the correct service when the incorrect agent collected her car. She maintained that it, having passed the MOT, meant it can't have been an "unsalvageable 'total loss'". Miss A said AXA had handled the calls with her poorly.

Our Investigator confirmed her view on the complaint had not changed. She said that Miss A had not complained before about how AXA had handled calls with her. She said that would have to be raised with AXA in the first instance. Miss A's complaint was referred to me for an Ombudsman's decision.

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, with regret for the disappointment I know this will cause Miss A, I'm not upholding her complaint.

AXA did agree to have its repair network collect Miss A's car. That didn't happen, and instead its salvage agent collected the car. I can see that would be worrying and frustrating for Miss A. However, having reviewed the timings of what happened, I can see that when AXA agreed to change its agent, and cancelled the original instruction to the salvage company, the latter were already on their way. But given the way in which companies work, I'm satisfied AXA wouldn't have known that. I think this error was not caused by AXA, but rather a convolution of circumstance.

In any event, even if that had not happened, I think Miss A's car would still have been found to be a total loss. I know she thinks it logically can't have been, due to the MOT. That, rather, the nature of the agent collecting it has determined the course of the claim. But that is simply not the case.

As our Investigator explained, an MOT tests whether the car, regarding certain road safety issues, is safe to drive. A "total loss" consideration by an insurer takes into account factors other than safety. For example, a car might be safe to drive, compliant with all road safety requirements, but have extensive damage to its paintwork, requiring hours of costly reinstatement work. Given the cost of that reinstatement work, even though the damage in question does not make the car unsafe to drive, and even if it would still pass an MOT, an insurer might, taking into account its age and value, declare it a total loss.

Here, I note that AXA had consulted with the repair network, and it appeared it had been trying to find a garage to repair the car – but three had refused the work, one noting that in addition to damage to both driver's side doors and the front wing, there was a bent or broken axle. I can see that the repairs were estimated at a few thousand pounds – more than the value AXA attributed to the car. The fact that three garages had refused the repair might also suggest, costs aside, it was felt to not be a repairable proposition. And I note that the repair network's view, taking account of the age of the car and the damage, was that it was a total loss. So I think if the repair network had collected the car, that would only have delayed the total loss decision – it wouldn't have changed the outcome. I don't think Miss A's car would ever have been considered repairable and sent for fixing, such that a courtesy car would likely have been provided.

I know AXA didn't give Miss A an option to keep her car. But I don't see that she asked it if she could do so, or even indicated to it she might like to. If she had asked, I think AXA would have given her the option. I don't think AXA did anything wrong in the way it handled this.

I can see that Miss A had to call AXA, that sometimes she had trouble getting through. But I'm satisfied that was the type of inconvenience that came naturally with having to make a claim. It wasn't something caused by AXA having done something wrong.

My final decision

I don't uphold this complaint. I don't make any award against AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 January 2024.

Fiona Robinson
Ombudsman