

The complaint

Mr M has complained about his car insurer AXA Insurance UK Plc. He feels it acted without compassion when handling his claim made when he suffered a near fatal accident.

What happened

Mr M's car collided with a tree and a wall. He suffered significant injuries in the crash. In the aftermath he had surgeries and was placed in an induced coma, and even once he later came around, he could not speak for an extended period.

AXA dealt with matters in the meantime. However, Mr M reported that AXA's processes were terrible, with his wife handling things on his behalf, often having to repeat herself and/or explaining that he could not be spoken to. Even when he was able to contact AXA himself, it often would refuse to deal with him through the dictation service he was using (on account of his injuries). He reported how, at times, AXA didn't seem to know where his car was and its settlement was initially paid less a deduction for him keeping the car, when he wasn't.

Initially AXA said it would pay £250 compensation to Mr M. When Mr M complained to the Financial Ombudsman Service, AXA reviewed matters again. AXA detailed what it seemed to feel were some significant failings by it. As well as offering a total of £800 compensation (so a further £550), AXA said it would be providing extensive feedback to the individuals involved in the poor service as it wanted to ensure lessons are learnt from this situation. Regarding the settlement amount, AXA recognised it had made an error, confirming it would pay the incorrectly deducted salvage sum to Mr M, plus interest. Mr M remained unhappy.

During our complaint process, Mr M said that, in addition to increased compensation, he wanted AXA to provide details of any changes it had implemented to improve service, as well as a written apology.

AXA, in reply, provided a detailed letter, explaining each issue of poor service and why it felt this was to do with poor service from staff, rather than a problem with processes. It assured feedback was being provided on each issue. AXA also said it "can fully appreciate how insensitive the handling of the claim must have felt for Mr [and Mrs M]...[and it is] very sorry for the upset this has caused".

Our Investigator felt AXA's offer to pay the outstanding settlement amount, plus interest was fair. She noted its explanatory letter and apology. She felt the sum of £800 was fair and reasonable compensation in the circumstances. Mr M said it's not possible for him to quantify what compensation should be paid – but he feels £800 is too low.

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 find my view is the same as that expressed by our Investigator. I'm satisfied AXA failed Mr M on this occasion – that its failures were significant, repeated and

caused a lot of distress and inconvenience. And I note that AXA accepts that is the case as well. In my background above I've quoted a small part of the explanatory and apology letter AXA provided. I can see it wrote that specifically for sharing with Mr M. I think it's a genuine attempt by AXA to show it's understood the gravity of the situation here, that its sorry for what happened and that its intent on making improvements by feeding back to staff about the errors which occurred.

AXA can't undo the upset its failures caused, but I recognise this explanation and apology as part of a genuine attempt by it to make things right. The other parts of that are the additional claim settlement and the payment of compensation.

I note Mr M can't quantify the level of compensation he'd like AXA to pay. The Financial Ombudsman Service has guidelines for compensation awards. And we can't award compensation for those who may represent a policyholder in a claim and complaint. Having reviewed what happened here, taking our guidelines for awards into account, I think £800 is fair and reasonable. AXA did make its flawed claim settlement payment within around ten weeks, but clearly there were a lot of failings in that time, and even afterwards. With AXA not noticing the flawed settlement until Mr M drew its attention to it in 2023, and only seeking to put it right once Mr M complained to us. I accept that Mr M, once he was well enough to be aware of what was happening, would have been very upset and frustrated by the poor claim handling, including the effects this was having on Mrs M. He then had to put in extra effort to get AXA to revise its settlement payment. An award of £800 recognises considerable distress being caused over many weeks or months. I think that's fair and reasonable in the circumstances here.

The settlement payment was made net a deduction for Mr M keeping the car. Even though he was not. The salvage deduction meant the settlement was £283.66 short. AXA has agreed to pay this sum to Mr M, plus interest applied from the date of its original settlement in 2022. I think that's reasonable.

Putting things right

I require AXA to pay Mr M:

- £283.66, plus interest* applied from 30 March 2022 until payment is made.
- £550 compensation, where my total award is £800 but £250 has already been paid.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require AXA to take off tax from this interest. If asked, it must give Mr M a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require AXA Insurance UK Plc to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2024.

Fiona Robinson
Ombudsman