DRN-2474947

The complaint

Ms D and Mr H are unhappy with how AXA Insurance UK Plc dealt with a claim under their home insurance policy.

Ms D and Mr H are being represented in this complaint by their own loss assessor. However, for ease, I'll refer to everyone as Ms D and Mr H.

What happened

Ms D and Mr H own a Grade II listed property. On 30 November 2019, the day their home insurance policy with AXA started, the property was severely damaged by fire. They reported this to AXA on 2 December 2019. And AXA appointed a loss adjuster to assess the claim, and a fire expert to determine the cause of the fire.

On 12 December 2019, the fire expert declared the fire to be an accident, and AXA accepted the claim the same day. The following day they paid Ms D and Mr H £5,000 as an advance payment to purchase essential items. AXA paid an additional £5,000 on 19 December, to allow Ms D and Mr H to purchase further items, including white goods, bedding etc. A further £30,000 was paid in February 2020. All of these payments formed part of the contents claim.

Ms D and Mr H initially moved into temporary B&B accommodation, before the claim was even reported, and AXA paid for this. They say AXA offered them a two-bedroom flat while their house was being repaired, but they refused this and sourced a new static caravan instead. AXA say they never offered any specific alternative accommodation and say Ms D and Mr H were *"highly insistent"* on a static caravan as being their only suitable option.

Regardless of what was or wasn't specifically offered, AXA paid for the caravan and for it to be installed on site. Ms D and Mr H said the caravan now needs repairs to bring it to a satisfactory standard, and AXA asked them to provide estimates for the work.

In February 2020, with the assistance of a loss assessor they'd instructed, Ms D and Mr H claimed the total value of the contents damaged in the fire was £145,711.21. But it wasn't until June 2020 when AXA made Ms D and Mr H a global contents offer of £110,000.

Ms D and Mr H complained to AXA about the way their claim was being handled. AXA didn't uphold their complaint, so it's been brought to the Financial Ombudsman Service for investigation.

Ms D and Mr H have complained that:

- The first loss adjuster was from a department who dealt with claims under £5,000.
- AXA's loss adjusters have been rude and bullish.
- There was a delay in paying the initial £5,000 advance.
- The caravan needs repairs to bring it to an acceptable standard, and AXA haven't carried out these repairs.
- AXA want to retain ownership of the caravan once the property is habitable again.

- They've had increased living costs because they're living in a caravan, including increased heating costs and having to purchase white goods.
- AXA took too long to make an offer of £110,000 for the contents, and this offer is too low.
- AXA have refused to pay the costs of their loss assessor, or their loss of earnings.

Our investigator said AXA ideally should've initially sent a loss adjuster more suited to handling high value claims, but he also thought it was important AXA sent someone straight away. And as the first loss adjuster was only to assess the advance payment, he didn't think they'd done anything wrong. The investigator also said that, once the fire expert had confirmed the fire was an accident, AXA paid out the advance payment without delay. He also thought AXA had been empathetic to the situation Ms D and Mr H were in.

The investigator said that, under the terms of the policy, AXA were responsible for providing alternative accommodation. And, once the property was habitable, then Ms D and Mr H would have no further use for the caravan. So he didn't think it was unfair that AXA retained ownership of the caravan once it was no longer needed. He said that, if there are funds left in the alternative accommodation budget, then AXA should return the garden to a reasonable condition once the caravan had been removed. But, if Ms D and Mr H chose to buy the caravan off AXA, then they're responsible for any remedial works to the garden.

AXA offered to inspect the caravan, and do any remedial works required, and the investigator thought this was reasonable. But he also said AXA should pay Ms D and Mr H the industry standard disturbance allowance - £10 per day per adult and £5 per day per child – to compensate them for their higher living costs.

The terms of AXA's policy said any damaged items shouldn't be destroyed or removed until AXA gave authority for this. But the damaged contents were removed when the rebuilding of the property started. The investigator recognised the position this put both parties in, and recommended AXA should provide a detailed breakdown of their contents offer in line with the terms of the policy, and any exclusions or limitations that may apply.

Finally, the terms of the policy said that AXA only needed to pay the costs of Ms D and Mr H's loss assessor if they agreed to this first, which they didn't, and they wouldn't cover any loss of earnings. So, while the investigator thought AXA were reasonable in not paying these costs, he thought they should also pay Ms D and Mr H £750 to compensate them for the trouble and upset they'd been caused.

AXA didn't agree with the investigator. They didn't think the living costs for a caravan would be more than living in a six-bedroom Grade II listed property, so they've said they don't think paying a disturbance allowance would be fair. But they've said that they'd consider any evidence of increased costs or additional items that needed to be purchased, if Ms D and Mr H can provide this; the amount they're asking for isn't fully supported by receipts supplied.

AXA have also said that the policy only allows for £40,000 for alternative accommodation. So, with the purchase of, and repairs to, the caravan, there is little left to pay a disturbance allowance. So, AXA have said they're prepared to pay Ms D and Mr H the balance of the accommodation allowance under the terms of the policy – just under £12,000. Ms D and Mr H could then deal with the caravan repairs themselves, and the balance could be put towards their increased living costs.

Finally AXA have said their policy requires Ms D and Mr H to validate their contents claim and, by disposing of the contents when they knew AXA were coming out to inspect them, this hasn't been possible. So they think the £110,000 global offer they've made is fair.

Ms D and Mr H also didn't agree with the investigator. While they've agreed they should be paid the recommended disturbance allowance, they believe AXA should also pay their loss of earnings *"due to AXA not helping to first find any accommodation…. then even equip, or install all the amnesties [sic] required for every day living – as per their policy!"*

They've also said the contents were available for inspection until 13 September 2020, and the building works started on 15 September. But AXA didn't come to inspect the contents until 22 September – 10 months after the fire, and seven months after they were supplied with a full list of contents.

So, because of what's happened, in addition to the disturbance allowance, they think AXA should pay them:

- £2,129.92 because they're unable to remortgage their property while it's being rebuilt. This amount is the difference between what they now pay for their mortgage, and what they would've paid with a new lender, for the period January to April 2021.
- £7,594.75 for the furniture, white goods etc. they've purchased solely for the caravan and which they say won't be of any use once the house is habitable.
- £4,792.52 heating costs, which they say is four-times higher in the caravan than in their property.
- £1,800 for the garden to be put right after the caravan has been removed (to be paid upfront so they don't have to deal with AXA again once the property is habitable).
- 7.5% of the full and final settlement value of the claim, which is what they're being charged by their agent, who only needed to be employed because of the unreasonable behaviour by AXA and their loss adjusters.

Ms D and Mr H would also like AXA to agree to remove the caravan within 10 days of them reoccupying the property (otherwise they're entitled to charge AXA storage costs); and agree not to increase their insurance premiums until April 2021, at which point they'll take their insurance business elsewhere.

Finally they've said that Mr H has injured himself on the back door of the caravan, and they want AXA to pay for a private consultation and any medical treatment that may be required.

Because neither party fully agreed with the investigator, this was been passed to me to decide.

However, while I was reviewing the considerable amount of evidence in this case, the situation changed. AXA offered to place Ms D and Mr H in a rented property and said if they'd let them know of one that's suitable for their needs, then AXA will meet the costs of this. However, Ms D and Mr H turned down this offer and opted to remain in the caravan. So AXA arranged for the repairs to the caravan to take place.

I issued a provisional decision on 1 December 2020, where I explained my intention to uphold the complaint. In that decision I said:

My role is to consider whether AXA handled the claim in a fair and reasonable manner. It isn't to re-underwrite the claim and say whether AXA should pay anything additional to Ms D and Mr H to settle either the buildings or contents parts of this.

Policy terms

Before I address the complaint itself, I'd like to specify what I consider are the important terms of the insurance policy. When the policy was taken out, the property was declared as

being owned outright by Ms D and Mr H, i.e. it was free of any mortgage. The buildings were insured for £500,000, and the contents insured for £140,000. However there were certain policy exclusions and limits for things such as high-risk items and electronic goods.

The policy also stated that AXA would use approved suppliers to source and provide replacement goods. Where a cash settlement was offered, then AXA had the right to reduce this to take account of any supplier discount they may have received. And the policy was clear in that Ms D and Mr H weren't to "remove or destroy any damaged items (unless We ask You to do so) as We may need them."

The policy further stated that, if Ms D and Mr H were underinsured, then any claim settled would be reduced in proportion to the amount of underinsurance. The policy also clearly stated that Ms D and Mr H were not insured for "loss of earnings" or any "costs or expenses unless [AXA] have agreed to pay then in advance." It also said "if you can't live in the Home due to an Insured Loss, We will pay alternative accommodation costs" up to a combined maximum of £40,000 per claim.

Ms D and Mr H were grossly underinsured when it came to the rebuilding value of both their property, and the outbuildings which didn't form part of this claim. So it's reasonable AXA dealt with this underinsurance in line with the terms of the policy. However, dealing with the undervalue resulted in delays in things moving forward, especially because of the need for a tender process for the rebuilding works, and AXA having to negotiate a cash settlement because of the amount of undervalue.

Because the property was listed, the involvement of a listed buildings officer added further delays. And the builders who won the tender weren't able to start work on the property straight away, as they were committed to finishing another job. As these were things outside of AXA's control, I don't find them responsible for these delays.

Ms D and Mr H have said that, on 6 January 2020 (which I've noted was less than four weeks after AXA accepted the claim), "at our own cost we felt impelled to employ our own [loss adjuster] in an attempt to speed the process along and provide some stability to our claiming process." And they believe AXA should pay the costs they've incurred as a result.

While I accept Ms D and Mr H had their reasons for doing this, I think it was very early in the claims process to say this was their only option to progress things; and they didn't get AXA's agreement to the costs. The policy is quite clear in that, unless any costs have been agreed in advance, then AXA aren't responsible for paying these. So AXA haven't acted outside of the terms of the policy by not paying these costs, and I won't be asking them to do so.

Ms D and Mr H have also said they lost earnings while trying to search for alternative accommodation (before they'd told AXA about the claim), and while trying to make the static caravan liveable (even though AXA would've offered them a rented property instead). The policy's also clear that AXA won't pay any loss of earnings, so they haven't acted outside of the terms of the policy by not paying this either. And I also won't be asking them to do so.

Contents claim

Ms D and Mr H were insured for £140,000 contents. And there were individual limits for high-risk and other items within this amount. The contents claim Ms D and Mr H made was for £145,711.21. From reviewing this claim I've seen that the combined value of the high-risk items exceeded the £5,000 insured limit, and certain electronic items also exceeded the £350 single item limit.

I've seen that, in assessing the contents claim, AXA queried some things, including why everything had been declared a total loss, that Mr H intended on restoring some items that were declared as a total loss, and that there were a number of electronic items valued at just below the £350 limit. Because of the value of the claim, I don't think AXA were unreasonable in asking these questions.

The contents offer wasn't made until June 2020 – a global offer of £110,000. Because the building work hadn't started at this point, so any replacement contents purchased by Ms D and Mr H would've needed to be stored somewhere; I don't think the time it took for AXA to make this offer caused any inconvenience. Especially as AXA had already paid £40,000 for any short- and medium-term needs at this point.

After making this offer, AXA paid £70,000 to Ms D and Mr H, taking the contents payments made up to the global offer of £110,000.

The contents claim was above the sum insured. Some items claimed for would also be excluded because they exceeded the limits within the policy. And, because AXA offered a cash settlement rather than source and purchase replacement goods, the policy allowed them to reduce the sum paid to take account for any supplier discount they would otherwise have received. Given this, I don't think it was unreasonable for AXA to offer a global settlement. And, while it's not my role to re-underwrite the claim, I also don't think that the amount offered was so unreasonable that AXA need reassess the contents claim.

Ms D and Mr H rejected the global offer, and AXA asked them to provide further substantiation of the claim before they could consider any increase. While they were provided with some more paperwork, AXA didn't consider this to be sufficient. So, at the insistence of Ms D and Mr H, in mid-August 2020, AXA appointed a loss adjuster for the contents claim. As Ms D and Mr H were disputing the global offer, I don't think it was unreasonable for AXA to do this.

On 3 September 2020, when he issued his view, the investigator said an inspection of the contents were needed before he could conclude if the global offer was fair. Based on the evidence I've seen, the contents loss adjuster offered to inspect the contents on 4, 7 or 8 September, but was told a site visit couldn't be facilitated until the week commencing 14 September. Because the contents loss adjuster wasn't able to attend that week, alternative dates were offered. And the contents loss adjuster arranged to visit the property on 23 September to inspect the contents.

On 9 September AXA emailed Ms D and Mr H. This email said "we fully expect that the contents will be in situ at the time of the inspection, scheduled, as you know, for 23rd September, some days after the building works commence. [Mr H] has been insistent that we validate the contents claim, and it is therefore not unreasonable to expect that said contents will be available for validation. Should it the be the case that the contents have been removed prior to the visit by [the contents loss adjusters], we will revert to the requirement for substantiation from [Mr H]."

But Ms D and Mr H had the contents removed from site before the contents loss adjuster visited the property. And in the knowledge that they'd been specifically asked not to do this.

Ms D and Mr H said the contents were temporarily stored in the courtyard where their daughter plays and, because this created a health and safety issue, they felt they had no choice but to remove the contents before the inspection. But I've not seen anything to show me that Ms D and Mr H told AXA they intended to do this; or that they made any attempt to rearrange the contents loss adjusters visit because of this. And the fact that the contents loss adjuster arrived on site a day earlier than agreed due to a date mix-up doesn't alter this.

While Ms D and Mr H had provided some substantiation of the contents claim to AXA, this wasn't sufficient, and the contents loss adjuster was appointed. Given the contents of the 9 September 2020 email, and that Ms D and Mr H removed the contents from site before the agreed inspection date, the burden fell back onto Ms D and Mr H to provide additional substantiation of the contents claim. And I haven't seen they've done this. They've only resubmitted the original paperwork.

Given these circumstances, I think it's reasonable for AXA not to change the global offer they previously made. And I won't be asking them to do anything more.

Loss adjusters

It's not disputed that the first loss adjuster AXA sent was from a department that dealt with claims under £5,000. And given the circumstances of the fire, the claim was most likely going to be above this amount. But I don't think it was inappropriate for AXA to send this loss adjuster. Just because they worked in a department dealing with lower value claims doesn't mean that they lack the empathy or understanding to initially deal with a higher value claim.

I think it was important for AXA to get someone on site as soon as possible, so they could assess Ms D and Mr H's immediate needs. This was done. And, once the fire expert had confirmed the fire was accidental and AXA could accept the claim, the matter was transferred to the high loss department. I think this was a reasonable approach to take.

I appreciate there was a short delay in making the initial payment, to cover the essential items Ms D and Mr H needed. But AXA needed to know whether this was an insured event before they could accept the claim. Especially as the fire took place on the very day the policy started. And they couldn't make any payment until this'd been confirmed. The fire expert said the fire was accidental on 12 December 2019, and AXA made the initial payment the next day. I don't think was unreasonable.

AXA employed a third-party firm of loss adjusters to manage the claim. Ms D and Mr H have said they were rude and bullish. Because of the nature of the claim, some of the interactions would've been verbal. And I don't have any recordings of what was said, or how things were said. And I can't say AXA did anything wrong just because there's no recordings on any conversations. But I have reviewed and considered the written communication I've seen. And from this, I agree with the investigator that the loss adjusters dealt with the matter empathetically. I've not seen anything to show me they were rude or bullish.

The static caravan

The terms of the policy say that Ms D and Mr H are entitled to alternative accommodation while their property is uninhabitable. But Ms D and Mr H didn't think a rented property would be "equivalent to 6-bedroom house with garden and courtyard" and they asked for a static caravan they'd sourced to be sited in the garden. AXA agreed to this, but I've noted Ms D and Mr H arranged for the caravan to be delivered before AXA had approved and made payment to the supplier. Their decision caused Ms D and Mr H some distress and inconvenience while they were waiting for AXA to approve and make payment.

If I were to say that Ms D and Mr H own the static caravan, then they're responsible for its upkeep, its eventual removal and disposal, and for returning the garden to its original condition after removal. But, if Ms D and Mr H had taken up the offer of a rented property, the ownership of this wouldn't have transferred to Ms D and Mr H once their property was habitable again. So it's only fair that the same principles apply to the static caravan. Because

of this, AXA retain ownership of the caravan. And they're responsible for the repairs; and for its eventual removal, including returning the garden to its original condition.

I've seen the receipts Ms D and Mr H have sent in to show their increased living expenses while in the caravan. While some of these are for energy costs, some are for white goods, mattresses, sheets, kitchen utensils etc. AXA paid them £5,000 on 19 December 2019, and a then further £35,000, to allow them to purchase these items.

And I also have to consider that AXA offered Ms D and Mr H a rented property, both initially and again in November 2020, where some of these additional expenses either wouldn't have been incurred or would've been substantially lower if they had. But Ms D and Mr H refused these offers and insisted on a static caravan on-site instead.

It's not disputed that the caravan requires some repairs, and I'm pleased to see that AXA have arranged to get these done. But, after the investigator had issued his view, AXA had also offered to pay Ms D and Mr H the balance of the accommodation allowance (which then stood at around £12,000) so they could arrange for the repairs themselves and have the balance towards their additional expenses.

Given these two different offers, what I think is fair and reasonable in the circumstances is that, once the caravan repairs are complete and AXA have paid for these, they pay Ms D and Mr H what's left of the accommodation allowance. This payment will then help to cover any additional expenses Ms D and Mr H may incur, especially additional heating costs over the winter. And by paying this as a lump sum, AXA wouldn't be required to pay the disturbance allowance recommended by the investigator.

Mr H has also said he's suffered a personal injury while in the caravan, and he holds AXA responsible. This would need to be dealt with by way of a separate personal injury claim, so it doesn't form part of my assessment or decision. For that reason I won't comment further on this.

Mortgage costs

From looking at the information Ms D and Mr H declared when they took out the policy with AXA, they said they owned this outright i.e. it was free of any mortgage or other secured lending. Although I appreciate this may have been a misunderstanding of the question, and they meant that the property wasn't rented and they owned it (with the help of an outstanding mortgage). And from what Ms D and Mr H have said, I understand their existing mortgage deal expires in December 2020.

I understand that Ms D and Mr H want to keep their mortgage costs as low as possible, and moving to another lender is difficult, if not impossible, while the property is being rebuilt. But for me to say AXA are responsible for any mortgage costs, I'd have to say they were wholly responsible for any delays which meant the work on the property wasn't completed by December 2020 where it otherwise would've been.

For the reasons already stated – the underinsurance and the requirement for listed building consent – I don't think AXA are responsible for the delays. There was nothing wholly within their control that they could've done, but didn't, that would've meant rebuilding works would be completed by December 2020. So I won't be asking them to pay any mortgage costs.

But, while this means that Ms D and Mr H may not be able to move to another lender, it doesn't necessarily mean they can't switch to another deal with their existing lender.

Trouble and upset

This is clearly a distressing time for Ms D and Mr H. To lose their home to a fire when they had a young child and Ms D heavily pregnant must've been extremely difficult. But some of the stress they suffered would've been cause by the situation they found themselves in. However, in recommending any payment, I can only consider any additional distress, inconvenience and/or upset caused by the actions, or lack of actions, of AXA.

For the reasons stared above, I don't think that AXA failed to do anything they should've done, or that they did something they shouldn't, that caused unnecessary distress and inconvenience. I'm satisfied that the distress and inconvenience Ms D and Mr H have suffered, and continue to suffer, is as a direct result of the situation they've unfortunately found themselves in, which is neither their fault nor AXA's. So I won't be recommending AXA pay then anything additional for this.

For the reasons explained above I intend to uphold Ms D and Mr H's complaint. AXA Insurance UK Plc should

- *Remove the static caravan from site once the property is habitable, remove any services that've been installed, and restore the ground on which the caravan was sitting to the condition it was before the caravan was sited.*
- *Once the caravan repairs have been completed, pay Ms D and Mr H the remaining balance of the accommodation allowance.*

Responses

Ms D and Mr H didn't agree with my provisional decision. They were unhappy the person dealing with their claim at AXA's loss adjusters moved to another company and took their case with him. They feel that shows AXA were dissatisfied with how their loss adjusters were dealing with matters.

They've said any alternative accommodation AXA offered them, or asked them to find, was unsuitable for their needs. So a static caravan on-site was the only viable option for them. And the white goods they've purchased for the temporary accommodation are unsuitable to be relocated into their home (once rebuilt) because they're too small.

They've also said that AXA will recover £10,000 when they sell the static caravan. So they feel this £10,000 should be added to the remaining accommodation allowance and paid to them *"to cover our expenses in full."* This is because, if they'd taken the option of rented accommodation, then AXA wouldn't have made this recovery.

Ms D and Mr H want a complete breakdown of the global offer made by AXA, as they feel all the information they've provided is sufficient to prove their claim. They also feel 6-months to make a global offer was too long. With regards to the disposal of the contents, Ms D and Mr H have said that, when AXA made the global offer, they didn't tell them not to dispose of the damaged contents.

Ms D and Mr H feel that AXA have delayed the rebuilding process, because the tender process and building consents were all in place in June 2020. And, with a quoted rebuild time of 6-months, they should've been able to move back into the property in December 2020. And this hasn't happened.

AXA also disagreed with my provisional decision. They pointed out I'd referred to Ms D's and Mr H's representative in this claim as a loss adjuster, when it was in fact a loss assessor. I apologise for any confusion caused by this error and I've corrected this in my final decision (with the exception of any references in the copy of my provisional decision).

AXA have also said Ms D and Mr H sourced a static caravan because any alternative accommodation was unsuitable for their needs. And, when the scale of damage became apparent, the matter was moved from the first loss adjuster to their Major and Complex Loss Adjuster team, in line with their standard procedure.

But AXA have said the alternative accommodation allowance is £40,000, and the cost of making good the site after the caravan has been removed should come out of this allowance, and not be in addition to this.

In addition to the above, the progress of this claim is a fluid situation, and the situation has changed since I issued my provisional decision. AXA have said that, when the contractor contacted Ms D and Mr H to arrange for the repairs they'd asked to be done on the caravan, they told him they only wanted him to do some of the work, not all of it.

AXA have also said that the contractor wasn't prepared to do the work on a piecemeal basis and would refuse to carry out any work that didn't involve the appropriate gas and electrical certification. But Ms D and Mr H have said they want to do some of the repair work themselves. And, in response to my provisional decision they've said *"we will wait until AXA pay us the remaining balance and carry the repairs then."*

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.

I'm in agreement that AXA allowing the claim to be moved from one company to another could be considered unusual. But I don't agree this means AXA must've been dissatisfied with how their loss adjusters were dealing with matters. A large company like AXA will deal with a number of different loss adjusters when dealing with the volume of claims they receive. And if the person dealing with a claim at company one moves to company two, and company two is also one that AXA use, then it makes sense that the claim stays with the person who has full knowledge of what's happened. This keeps continuity and avoids any delays that may otherwise have occurred while someone new got up to speed with events.

In my provisional decision I explained why I thought the global contents offer was reasonable in the circumstances. Ms D and Mr H were insured for £140,000 and put in a claim for £145,711.21. The claim exceeded the policy limits in certain areas and, as the claim was more than the sum insured, AXA were entitled to pay a pro-rata amount. And, when settling in cash rather than goods, AXA were also entitled to reduce the payment by any supplier discount they may have received.

AXA paid 78.5% of the contents claim which, given the above, I still consider reasonable. And, because Ms D and Mr H had already been given £40,000 to cover their immediate needs, I don't consider that the delay in paying the remaining £70,000 (when the property hadn't been rebuilt at that stage so Ms D and Mr H couldn't have purchased all of the contents for it, as they'd have nowhere to put them) disadvantaged Ms D and Mr H at all.

But, when Ms D and Mr H didn't agree with the global offer, AXA arranged for a contents loss adjuster to inspect the damaged contents. AXA didn't tell Ms D and Mr H not to dispose of the contents when they made the global offer. But this was in the policy terms. And, once Ms D and Mr H had rejected the global offer, and wanted to challenge this, AXA did tell them not to dispose of the damaged contents. This was done in an email of 9 September 2020.

Ms D and Mr H then disposed of the damaged contents around 15 September 2020, before the contents loss adjusters visit on 22 September 2020 (a visit which had actually been arranged for 23 September 2020). And the contents loss adjuster had offered multiple dates to visit the site before they'd disposed of the contents, which Ms D and Mr H said weren't acceptable to them.

So I can't say that Ms D and Mr H weren't aware that the damaged contents needed to be inspected for the global offer to be reconsidered. And by them taking a specific action which meant that this couldn't happen, I remain of the opinion that AXA maintaining the global offer was fair in the circumstances.

I don't dispute that the tender process and building consents were all in place by June 2020. So, with a rebuild time of around 6-months, the property could've been habitable by December 2020. Except the builders who won the tender weren't able to start work on site until mid-September 2020 because they were committed to another job. So I don't agree that AXA have caused delays meaning the rebuild wasn't complete in December 2020.

When the caravan is removed from the site, AXA have confirmed they'll *"look to get the best residual value we can for it once it is no longer needed."* Ms D and Mr H think this will be £10,000, and also think they should be given this amount now. But I can't say how much the caravan will be sold for once it's no longer needed. So I can't say it's fair to ask AXA to pay Ms D and Mr H the caravan value now. And, because they wouldn't have received any additional payment had they been in rented accommodation, then I also don't think it's fair that AXA should pay them the value of the caravan when it's been sold.

But I'm aware that AXA will recover some money from the sale of the caravan, and this wouldn't have been the case if Ms D and Mr H had gone into rented accommodation. So, given these circumstances, this amount should be considered in addition to the £40,000 accommodation allowance, and used to make good the site once the caravan has been removed. So, to be clear, for this reason I don't think the cost of making good the site should come out of the accommodation allowance.

Mr provisional decision said that AXA should pay for the repairs to the caravan, and then pay the remaining accommodation allowance to Ms D and Mr H. But the situation has changed since I said this, and Ms D and Mr H want to sort out some or all of the caravan repairs themselves. So, in the circumstances, I think it's only fair that AXA pay Ms D and Mr H the remaining accommodation allowance now, and Ms D and Mr H become responsible for the cost of any caravan repairs that are needed. And because this doesn't alter the actual amount I'd asked AXA to pay, only who they pay this to, I won't be issuing a second provision decision for this minor change.

Putting things right

For the reasons explained above AXA Insurance UK Plc should:

- Remove the static caravan from site once the property is habitable, remove any services that've been installed, and restore the ground on which the caravan was sitting to the condition it was before the caravan was sited.
- Once any caravan repairs that've already been completed (if any) have been paid for, pay Ms D and Mr H the remaining balance of the £40,000 accommodation allowance.

My final decision

For the reasons explained above I uphold Ms D and Mr H's complaint. AXA Insurance UK Plc must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D and Mr H to accept or reject my decision before 12 February 2021.

Andrew Burford
Ombudsman