

The complaint

Mr and Mrs B have complained about their property insurer AXA Insurance UK Plc in respect of a claim they made to it for a water leak from their dishwasher.

What happened

There was a leak from the dishwasher in Mr and Mrs B's kitchen of their home in 2012. A dispute arose which prevented the claim from progressing for three years. Repair work began in 2016, but Mr and Mrs B were unhappy with the results of that work.

In October 2017 AXA issued a final response to Mr and Mrs B dealing with their concerns about the work. It said it would complete work as set out in the letter, or Mr and Mrs B could have a cash settlement. It offered £250 compensation for delays and the distress caused to that date. Mr and Mrs B were unhappy and still had concerns about the snagging and work. So AXA reviewed its position.

In April 2018 AXA wrote another final response letter to Mr and Mrs B. It noted they still had concerns about the work and, to resolve that, offered to appoint a surveyor to visit the property and determine what was needed. It offered a further £400 compensation for additional upset caused to Mr and Mrs B by the claim's continued delay.

The surveyor attended in July 2019. He commented on 17 issues. Of those, there were only four where he didn't make a recommendation for AXA to do something. AXA asked its loss adjuster to arrange for the contractor to attend and resolve the issues identified by the surveyor. An appointment to scope the work necessary to fulfil one of the recommendations was needed. That took place in December 2020. But following that meeting the contractors said they weren't prepared to continue with the job. AXA noted it had no other contractors to offer. So it said it would settle with Mr and Mrs B in cash for most of the work recommended by the surveyor.

In a final response in March 2021 AXA said that total would be £2,528, less VAT. It said it would also pay Mr and Mrs B £750 as compensation for additional upset caused by further delays since its final response in April 2018. Mr and Mrs B were unhappy. They felt that sum couldn't be enough to fix all that was wrong with their home. They didn't know what the sum was exactly meant to cover and they weren't well enough to manage the work either. So they complained to us.

Our Investigator asked both parties for lists showing what they felt was wrong – so she knew if what Mr and Mrs B wanted AXA to do was what AXA had accepted it needed to do. AXA set out the items it felt made up the sum offered, which were taken from the list of 17 items referenced by the surveyor. Mr and Mrs B had a list of 21 items – 19 plus a list of items that they said were meant to have been put back up on the wall by the contractor, and an issue of knocking pipes they'd been told had been caused by faulty taps.

Our Investigator asked AXA if it was prepared to do or pay anything more. AXA said it felt many of the issues now raised by Mr and Mrs B hadn't been raised before. And much of their list, AXA said, likely hadn't stemmed from the work it had done.

Our Investigator, having reviewed everything, didn't think the complaint should be upheld. She felt AXA only offering a cash settlement was fair. And that the work it had agreed to cover was reasonable – that other problems had likely been caused by wear and tear over time. But she noted AXA had agreed to consider estimates from Mr and Mrs B and pay more if the work it had agreed it was liable for would cost them more to complete than its settlement had allowed. She felt that was fair and reasonable. As was, in her view, the compensation it had paid. So she didn't recommend AXA do anything else.

Mr and Mrs B were unhappy. They said they had tried to get estimates – but no trader was prepared to quote for repairing the kitchen. They said they'd been told it couldn't be repaired piecemeal – that a whole new kitchen was needed. They also remained particularly unhappy about the lighting in the kitchen – the contractor had taken the original lighting down and that couldn't be refitted due to a change in regulations, and they felt the replacement was inferior. They felt AXA should pay for the re-wiring needed so a light like their old one could be reinstated. Their complaint was passed to me for an ombudsman's decision.

I felt the complaint should be upheld – but not to the extent Mr and Mrs B felt it should be. I issued a provisional decision to explain my views to both parties. My provisional findings were:

"Cash settlement"

I know Mr and Mrs B say they aren't able to manage the final reinstatement phase of their home. But I think AXA's offer to settle in cash rather than go back and do more work is reasonable. I see AXA's last contractor had health and safety concerns following their visit to the property in December 2020. In short they've said that what they saw – the state of the kitchen and Mr B's attire – made them feel it wasn't appropriate for them to be further involved. I can understand the contractor coming to that view. I think Mr and Mrs B will say that the kitchen was in the state it was because of AXA's poor work. But I don't think that is a fair assessment – not given what I've explained below about the repair issues in question. I think AXA has tried to resolve this claim – although I explain later that during April 2018 to March 2021, I don't think it always did a very good job of doing so. But I think that the progression to a cash settlement was unavoidable. In short Mr and Mrs B were unhappy with AXA and its agents, and AXA was concerned about being responsible for any contractor attending the property. In the circumstances I think it would be unfair and unreasonable for me to make AXA complete the outstanding work. I think it settling for the work in cash – provided that is a fair sum for all the work needed (see my findings below) – is fair and reasonable in this situation.

VAT

AXA's March 2021 letter explains that the settlement amount on offer of £2,528 doesn't include VAT. The letter is not entirely clear in this respect as it also says its settlement amount is "£2,528 less VAT" – which would usually suggest the total is inclusive of VAT but VAT is to be deducted. However, the letter does say that AXA will pay VAT if Mr and Mrs B provide invoices for completed work. And the total it says it is paying to Mr and Mrs B at that time, which included £750 compensation for upset and £50 for it delaying the complaint response, is £3,328. So AXA paid Mr and Mrs B £2,528 (£2,528 plus £800), rather than that sum "less VAT". So I'm satisfied that, as yet, AXA hasn't paid VAT for the repair costs.

Not paying VAT until invoices are presented is something I'd often find reasonable for an insurer to do. But in respect of this complaint, about a claim which has been this much prolonged, I think AXA should just settle the VAT cost up front. I know Mr and Mrs B are having trouble getting a contractor to take on the work and the work only needs doing, by

and large, because AXA did it poorly in the first place. In the interests of resolving things for both parties, I think AXA should pay VAT upfront. So in terms of the cash settlement paid, AXA will have to pay an additional £505.60 being the VAT amount due against its settlement sum. And for any additional repairs costs I find it is liable for, any payment I direct it to make will be inclusive of VAT.

Mr and Mrs B's request for a replacement kitchen

I know Mr and Mrs B are having trouble getting a contractor to undertake the work. But that doesn't mean I can reasonably require AXA to pay for them to replace their whole kitchen. I know they think the kitchen including the cupboards are of poor quality (this is 1 and 2 on their list. 1 also refers to the sink, I've dealt with that separately below as the sink also features in AXA's list, 17). But, regarding the quality of the kitchen and the cupboards; the surveyor appointed to assess what poor work had occurred, and which they agreed to, didn't find that the kitchen installation as a whole, including the cupboards, was of poor quality. Rather he felt some items needed resolving and he felt they could be fixed individually. He didn't find that a replacement kitchen was needed. So I don't intend to make AXA pay for the kitchen to be replaced. But I'll look at all the other issues in question individually to determine if AXA has or hasn't provided a sufficient resolution.

How I will reference the issues in question

There are two key lists of work; AXA's numbering 17 issues, and Mr and Mrs B's which totals 21. Whilst some of the issues correlate across the lists, their numbering often doesn't. In my findings below against each issue I'll allocate the number Mr and Mrs B gave it eg "5" and a number, placed in brackets, that AXA gave to the issues on its list eg "(15)".

Many of Mr and Mrs B's 21 items were covered in the list by the surveyor, but nine of them weren't. Of those nine, five were agreed by AXA as needing further review and/or resolution in its October 2017 final response letter. I'll deal with those nine issues first. AXA may have concerns about my going back to its October 2017 letter. But as Mr and Mrs B's point is that the reviews and/or work it promised to do in that 2017 letter haven't been done in the years since, I can consider whether these items are something AXA needs to pick up again now. They don't appear in AXA's list of 17 items, but they are referenced by letters in the 2017 final response letter. So here I'll refer to the numbering Mr and Mrs B applied to them and, in brackets, the lettering applied in the October 2017 letter.

The items in question are: 8 (V), 15 (E), 16 (J), 17 (S), 21(G)

8(V) – Worktops delaminated since fitting. AXA said its contractor would review that. But I haven't seen that ever happened. However, the surveyor appointed in 2019 was sent to finally establish the disputed poor workmanship issues. And the surveyor did not note that the worktops were delaminating, or that if they were this was down to poor work in fitting poor quality materials. So I'm not persuaded AXA has to do anything more regarding the worktops.

15(E) – Cooker poorly fitted, gaps around edge. AXA said in 2017 it would agree action to resolve this issue. That hasn't been done. The surveyor didn't say it was needed. But, to be fair, AXA had said this issue needed resolving, so the surveyor didn't need to consider if it amounted to poor work. AXA was satisfied in 2017 that it needed resolving, but it hasn't been resolved. I think it should be paying Mr and Mrs B an amount to resolve this issue.

16(J) – Poor workmanship and materials used in redecoration. AXA said it would resolve this. But again that doesn't seem to have happened. As above, I think it should be paying Mr and Mrs B an amount to resolve this issue. AXA, I think, will likely say that the decoration

at the property has likely suffered wear in the years since and it will be unable to know now what parts of its work were to a poor standard. It will also likely argue that it isn't responsible for fixing any wear and tear issues. However, and whilst I appreciate this has been a difficult claim for both parties, I think AXA still has a responsibility to fix problems it has accepted it caused. And if that means it has to be responsible for the extra costs of a bit more work now because no resolution occurred earlier, I think that is just a natural and reasonable consequence of this prolonged and difficult claim. And bearing in mind how long it has gone on for, I intend to propose a resolution which does not necessarily require AXA or Mr and Mrs B to undergo any further assessment. AXA will know what areas it decorated before and what that cost. I think it should pay that sum in settlement, plus 8% interest per year from the date the original repair costs were determined. The interest will allow for the fact that prices have increased since. And AXA will also have to tell Mr and Mrs B what area and work that sum (before applying interest) covered. If they get all that work re-done and it costs them more and they can evidence this to AXA, it will have to pay the difference between what the work cost it and what it has cost them.

17(S) – Swelling of internal doors. AXA in 2017 acknowledged the door between the kitchen and utility had swollen. It said the contractor was going to make a payment to Mr and Mrs B for this. I haven't seen that ever happened. If AXA can show me it did, I won't need to make it do anything more. If it can't, it will have to make a payment so Mr and Mrs B can replace this door. That will have to be the price of a similar door, plus fitting. Mr and Mrs B though say the door between the kitchen and dining room is similarly affected. However, whilst knowing in 2017 that AXA was only going to resolve the one door, they did not then complain to us about the other one. That said, AXA said in 2018 it would review all issues of poor work, which resulted in the surveyor's 2019 assessment. And the surveyor didn't find this other door was suffering from damage caused by poor work. So I'm not persuaded I can reasonably assume this relates to the claim or work AXA completed. Therefore, I don't intend to make it pay Mr and Mrs B to replace this second door.

21(G) – Knocking of water pipes. Mr and Mrs B have said a plumber told them this has been caused due to poor quality taps. AXA, in 2017 accepted that following its work, water pipes in the home were knocking. It said it would resolve this by fitting a "shock arrester". As far as I know this wasn't done. AXA will have to pay Mr and Mrs B so this can be done now, parts and fitting. I know Mr and Mrs B want the taps replacing. But their word about what a plumber has told them doesn't persuade me the taps are causing the problem. I think AXA accepted that there was a problem and put forward a way to resolve that. I'm satisfied it paying to implement that method is a fair and reasonable resolution in the circumstances.

Issues noted by both the surveyor and Mr and Mrs B

9 and 10, (2) and (1) – Larder unit and corner cupboard carousel. AXA has included a cost for repairing these items within its cash settlement offer. The sum for them is £827. That is to replace both units. Mr and Mrs B don't think the problems with these units can be resolved in isolation from the other cupboards as they are all out of alignment. But the surveyor clearly felt that was possible as he recommended their repair. And importantly he did not otherwise find that the kitchen units, apart from the drawers, had been poorly fitted such they were out of alignment. AXA's offer to cover the cost of replacing the items actually goes further than the remedy suggested by the surveyor. I think AXA's offer is fair and reasonable. So I don't intend to make it do or pay anything more.

4(3) and (10) – Kitchen and utility lighting. The contractors took down the lighting. Mr and Mrs B aren't sure why, they don't think it was necessary given the damage which was the subject of the claim. And the lights weren't reinstated following the work. Rather the contractor said those lights couldn't be re-fitted. They put standard bulbs in place. But these didn't give off the same amount of light the old fittings had. And Mr and Mrs B said they were

more expensive to maintain. AXA has accepted the lights are not like Mr and Mrs B had before. It's settlement offer includes £440 (£220 each) for Mr and Mrs B to buy and fit replacement lights with similar light output to the lights they had before. The old lights can't be put back up due to an inadequacy in the wiring at Mr and Mrs B's home. They think AXA should pay for re-wiring work to be done, particularly as there was no need, in their view, to take the original lights down in the first place.

4(3) and (10) continued. I'm not sure why the contractor took the lights down. But what is important is to look at what remedy fairly and reasonably resolves this issue. Whether as part of a claim or poor work, I usually expect an insurer to put their policyholder as closely as reasonably possible into the position they were before. Here the wiring at Mr and Mrs B's home hasn't changed. It is now like it was before. Only the lighting has. So AXA paying for lighting that has the same output as the original ones, in my view, achieves the need for Mr and Mrs B to be placed, as closely as reasonably possible, into the position they were before. And I'm not persuaded that new lighting will likely cost Mr and Mrs B more. I'm not minded to make AXA pay for re-wiring at Mr and Mrs B's home.

3(4) – Extractor fan. AXA has said it will pay £1,031 to take out the inferior fan its contractor put in and put one in like Mr and Mrs B had before. It has detailed that cost as follows:

“Electrician costs for coring new hole, fitting fuse spur, extending wiring and fitting a 6 inch extractor £380.00

Making Good : Brick up old hole, repair plaster internally, repaint effected wall internally and touch up masonry painted wall externally £651.00”.

I think that is fine as far as it goes. But it doesn't include the cost of purchasing a replacement fan. I know Mr and Mrs B did keep a lot of items that were stripped from their kitchen. It's possible they still have the fan. But the contractors, when taking it out, must have known it couldn't be re-fitted due to design changes. So I can't be sure it was removed in such a way it could be re-fitted. Or that with it having been sat not in use for all this time, it would work. I think AXA reasonably needs to add a cost for Mr and Mrs B to buy a replacement fan, like that they had before.

6(6) – Drawers not aligned. AXA, as part of its settlement figure, has said it allowed £30.00 for the drawers to be aligned. The surveyor felt this should be addressed and didn't say that the kitchen was otherwise out of alignment or that aligning the drawers alone couldn't be done. I'm not persuaded that a competent joiner or kitchen fitter couldn't resolve the alignment issues. And I think that work as part of a larger body of work isn't likely to attract a greater charge. It might do but AXA has agreed to consider estimates. At the minute I'm not minded to make it pay anything more to Mr and Mrs B to resolve this issue.

7(7) – Window board delamination. The surveyor said this needed resolving. But AXA hasn't included a cost for it. Its loss adjuster, seeing the surveyor's report, said this wasn't related to the claim and repairs. But I think AXA should include a cost for this – because it appointed the surveyor to determine the disputed repair issues and the surveyor said the window board needed replacing. I intend to require AXA to make a payment in this respect.

13(8) – Access holes for cables. AXA, as part of its settlement figure, has said it allowed £30.00 for access holes to be added to the worktops. I think that cost, when undertaken as part of a larger body of work, is likely reasonable. I don't think it will attract a greater charge. Whilst it might do AXA has agreed to consider estimates. At the minute I'm not minded to make it pay anything more to Mr and Mrs B to resolve this issue.

11(9) – Broken hinges and closers. The surveyor found one broken hinge. AXA allowed £20.00 for replacing that within its settlement sum. Mr and Mrs B said there are multiple

broken hinges and closers. This may disappoint them but as the surveyor only found one broken hinge, I can't reasonably require AXA to cover the cost of fixing other hinges and closers. It is possible that more of these items have broken since the surveyor's visit. But, if so, that is around three years or more since repairs were done. Items like hinges and closers do suffer wear and tear and sometimes will need replacing after a few years and in the natural course of things. For me to make AXA repair them I would have to be satisfied they have most likely broken because they were poor quality or were poorly fitted. Given that the surveyor made no overall finding in that respect, the time that has passed since the surveyor's report and that these parts are subject to wear and tear, I can't be satisfied they've failed due to poor quality or fitting. They may, or may not, have done. So I can't reasonably require AXA to make further payment to Mr and Mrs B for broken hinges and closers.

12(11) – Rear door. The closing mechanism isn't working properly. Mr and Mrs B state the contractors did this by not taking care when using the door during their work. AXA wasn't persuaded that was the case. AXA's surveyor said he can't be sure if this problem has resulted from careless use by the contractors or general wear and tear. AXA I see has given Mr and Mrs B the benefit of the doubt in this respect as it has allowed £40.00 within its settlement total so Mr and Mrs B can pay for adjusting the door to try and resolve the problem. Seeing as an expert, when physically examining the door, couldn't be certain as to the cause of the problem, I think AXA including any amount for resolving the issue is fair and reasonable. I don't intend to make it pay anything more.

5(12) – Hall and stair carpet. Mr and Mrs B said this was damaged by the contractors not taking proper care of their property. AXA said it would look at that and if it felt it had been damaged in that way, and beyond repair, it would replace it. The surveyor considered the carpet. He noted it had been cleaned. He felt its condition was due to general wear and tear. I've seen nothing that makes me think his view is wrong.

14(13) and (15) – Tile edging and spare tiles. The edging was poorly finished. AXA has allowed £75 for remedying the finish within its settlement figure. The contractors promised a spare box of tiles would be left. AXA said the contractor can supply spare tiles. I think that cost, when undertaken as part of a larger body of work, is likely reasonable. I don't think it will attract a greater charge. Whilst it might do AXA has agreed to consider estimates. I think receiving spare tiles reasonably resolves the issue of the previously unfulfilled promise to supply them. I think those offers reasonably resolve these issues. At the minute I'm not minded to make AXA pay or do anything more to resolve this issue. But I don't think the spare tiles have been provided yet. So, for completeness, I'm going to direct AXA to do so.

20(16) – Wall mounted items need re-fitting. Mr and Mrs B said certain things, including blinds, were taken down for works to be done and not replaced. Recently AXA has said it doesn't think a contractor would agree to put things like that up. But I disagree – the contractor had to put back what they had taken down. And I think, given the items in question, they were likely in place beforehand. Furthermore, in 2017, AXA agreed that "Ancillary items, blinds etc" would be reinstated. So I will be requiring AXA to include a cost for reinstating the items listed by Mr and Mrs B. They are:

- Blinds.
- Co2 detector.
- Smoke detector.
- Key safe storage box.
- Key hook holder.
- Clock.
- Wooden egg storage holder.
- Utensil rack.

- *Wooden cup rack.*

1(17) – Sink. Mr and Mrs B said this is poor quality. The surveyor didn't think that was the case. He said he couldn't say if it was of a different quality to the sink that was there before, but he could find no fault with the sink as currently installed. AXA said Mrs B chose the sink. I'm not persuaded the sink is most likely of lesser quality than the sink which was there before. And if I was shown evidence in this respect, I'd have to bear in mind that Mr and Mrs B chose it. I'd also have to bear in mind that even if it is different, I haven't seen any perceivable loss to Mr and Mrs B. Just because it is different, even if it is of lesser quality, for me to make AXA change it, that difference would have to result in a negative affect for Mr and Mrs B. I haven't seen that is the case.

Items only found within Mr and Mrs B's list of 21 issues

1 and 2 – I include this reference here for completeness only. I've already given my views on these issues above.

18 – Faulty electrical circuit for cooker. Mr and Mrs B said it keeps tripping the fuse so they can't use it. AXA made no reference to this issue in its 2017 letter. And the surveyor in 2019, reviewing all issues of poor work, didn't note any fault with how the cooker functioned. Because no fault has been noted previously, there's nothing which shows this has resulted from the work AXA completed in 2016. I appreciate Mr and Mrs B believe that is the case. And they might be right. But AXA says it is likely unrelated to its work. It's possible it might be right. As I've said, to make an award, I have to be satisfied that the problem most likely resulted from AXA's failure. I can't be satisfied here that is the case. I don't intend to make AXA pay for fixing this issue.

19 – Stopcock. Mr and Mrs B said this has been fitted incorrectly. But the surveyor did not identify any issue with the installation of the stopcock when he assessed what poor work had been completed at the property. I don't intend to make AXA pay for adjusting or reinstating the stopcock.

Claim handling, including delay

I think it is fair to say that this claim has been very prolonged. But I can't look at how AXA handled the whole claim. That's because the rules which govern the Financial Ombudsman only allow me to look at complaints which are made within six months of a final response letter being issued which deals with that complaint aspect. AXA's two most recent final responses, which dealt with its claim handling and delay, were issued in early April 2018 and late March 2021. Mr and Mrs B only complained to us after receiving the March 2021 letter. That was more than six months on from the April 2018 letter. So I can't review what happened before the April 2018 letter. I can only look at what happened between April 2018 and March 2021.

In short I think AXA failed Mr and Mrs B during this time.

I think its loss adjuster failed to note when AXA told it the claim could resume after a period during which Mr B had been poorly. Mrs B told AXA on 1 July 2018 that she wished to proceed with the claim (after it had been on hold due to Mr B's health). Whilst AXA told its loss adjuster, this seems to have been overlooked during the following weeks and the claim did not progress. AXA has said Mrs B contacted it in January 2019. I haven't seen that email. AXA's reference to it seems to suggest that, at that time. Mrs B was saying she'd found a contractor to do work. But that wasn't how AXA had left things with Mrs B. The claim was meant to be progressing by a surveyor being appointed. That didn't begin to be arranged until May 2019. I think AXA could and should have done more to progress it. I think

that if AXA had managed this properly, a surveyor could have assessed the work by the end of 2018. It was only assessed at the end of July 2019. So, in my view, AXA delayed the claim's progress by around seven months.

In more general terms, from what I've seen the claim was often delayed by internal disputes between it and its loss adjuster. More specifically, the loss adjuster also chose to review the surveyor's findings, rather than just instructing the work to be done as AXA had directed.

Further, following receipt of the surveyor's report in August 2019, AXA noted that by early September 2019 its loss adjuster hadn't acted to move on with the repairs. It was then mid-September when the loss adjuster told AXA it would ask the contractor to re-attend. That was a further delay of around six weeks.

I haven't seen that much activity then occurred between mid-September 2019 and June 2020. But the loss adjuster told AXA in June 2020 that the contractor hadn't been able to re-attend due to Mr and Mrs B's availability. It can sometimes be difficult to get work booked in at a convenient time for both parties. But I haven't seen that over a period of around nine months the contractor made reasonable attempts to visit Mr and Mrs B's home. And the loss adjuster seems to have done nothing to manage the situation during that time. Further, Mr and Mrs B told AXA in August 2020 that they were unhappy things had not progressed. They referred to the 2020 pandemic likely having become an issue. But I'm not persuaded that the claim, at the time of the pandemic, would still have been at the stage of the contractor trying to arrange work if the delays and poor claim management I've found here had been avoided. So I think the claim not progressing further until early June 2020 was due to AXA's failings – that's around another nine months.

I think that things progressed, or that AXA attempted to progress them at any rate, reasonably well over the next couple of months. But I see that during September 2020 to mid-November 2020, things stalled again due to internal issues between AXA and its loss adjuster. That amounted to a further delay of roughly another six weeks.

A visit occurred in mid-December 2020. And this was the point at which AXA decided it had to cash settle the claim. But the adjuster didn't ask the contractor to provide costs for the outstanding work until around mid-February 2021. That was a delay of roughly two months.

The period April 2018 – March 2021 inclusive is 35 months. At the start of that period Mr and Mrs B had been living with the on-going claim for five years, and the poor work as well during the last two years. So they started this period already very frustrated, unhappy and tired. The effect on them of any further delay and poor handling in the years that followed has to be considered in light of that heightened state of stress which they were already in. And I've set out above how I think AXA failed them and what delays that caused. Out of the (roughly) 35 month period between final responses, I think AXA delayed things for a total of around 21 months. That is totally unreasonable. I don't doubt that having the resolution of the claim delayed for that amount of time, during that period, was gruelling, stressful and depressing for Mr and Mrs B.

I explained that I don't think the issues with the repairs are as bad as Mr and Mrs B feel they are. But I accept that they couldn't use some of the storage in their kitchen during this time and the room hasn't been well lit. The installed extractor fan also didn't work as well as the one in place previously. So I think there were issues with the work that affected the way they used and perceived their kitchen during this time. I think they were caused some upset and inconvenience as a result.

AXA has paid £750 for the upset it feels its poor handling of the claim between April 2018 and March 2021 has caused Mr and Mrs B. In the circumstances and in light of the fact

I think that the majority of that period was the subject of delays by AXA, I don't think that is fair and reasonable compensation. I think fair and reasonable compensation in the circumstances here, for the period stated, totals £2,000. AXA has paid £750 already. So I intend to make it now pay £1,250 (£2,000 less the £750 already paid)."

AXA said it has been waiting for costs to be presented by Mr and Mrs B, and it can't pay VAT without seeing a VAT invoice. It said it felt it had offered a fair sum in compensation, not least as it has been trying to resolve matters.

Mr and Mrs B provided comments against most paragraphs of my provisional decision. I've summarised their points of contention below:

- Work began and completed in 2015.
- During the visit in December 2020 Mr B was in a normal state of dress and the attendees did not enter the house. They robustly dispute anything was wrong – with either Mr B's attire or in regards health and safety – and want to see evidence to support the allegation. They simply haven't been able to clean in the disrupted kitchen.
- If AXA couldn't find a contractor to do the work for the sums in question – how can they. Leaving them to repair things puts them in an impossible situation.
- They suspect insufficient costs for the original work is why it was completed so badly.
- They hadn't just demanded a new kitchen because they fancied one – they'd been repeatedly told that the framework of the kitchen was causing the problems. And as its accepted that AXA did poor work it stands to reason that taking things back to a newly installed kitchen is necessary.
- The replacement cupboards were never like what they had before. And the surveyor was not aware of that.
- AXA has previously noted that the window-sill and in front of the sink were delaminating. But I've not mentioned that.
- Regarding the worktops delaminating, they want to know why AXA doesn't have to do anything when I've noted the problem has been caused by poor work. And the worktops have been affected by repeated attempts at repairing the carousel.
- They had reported the second door a long time ago. And it had swollen due to the inferior fan, rather than poor work, so the surveyor wouldn't have been looking for that.
- I hadn't mentioned a visit from the kitchen manufacturer who had found the carousel and larder unit were incorrectly fitted and couldn't be repaired. And the fact they can't be repaired merely goes to show that previous attempted repairs have caused so much damage to the worktop and units the items cannot be repaired satisfactorily.
- The bulbs in place now as well as the wiring are unsafe and not acceptable. The suggested replacement lights are not as bright as what they had before – there isn't anything available that is, and anything fitted will be more expensive. The best option is to have new earth wiring installed. Without this they will be disadvantaged compared to how they were before.
- They can't find anyone to re-align the drawers.
- There are two window boards delaminating, not just one.
- The surveyor and all others visiting the property have been shown broken closers and more than one broken hinge. These are not new issues. But further repeated attempts at repair have made things worse.
- Regarding the back door Mr and Mrs B reported the problems with it while work was still ongoing. Along with other issues that showed, they felt, the contractors had a general lack of respect for the property. They noted that the surveyor stating that the problem couldn't be attributed to AXA's contractors, had been appointed by AXA and wasn't independent.
- The contractor had admitted not sealing off the work area properly from the undamaged parts of their home That is why they feel AXA must replace the carpet. They believe that

regarding the carpet, the non-independent surveyor was always bound to find in AXA's favour.

- Mr and Mrs B said that for the tile edging to be rectified – all the kitchen tiles would need to come off.
- In respect of the sink, Mr and Mrs B said the surveyor couldn't say it was different because he hadn't seen the original. And they didn't really choose the inferior sink, rather they were forced to accept it. Their old one was of much thicker steel and never made noise when hit by hot water as this one does, because this inferior one is more prone to expansion.
- The cooker circuit was replaced by AXA and should not have developed a fault in the few years since installation.
- They don't believe the surveyor looked at the stopcock. And they only became aware later there was an issue with it.
- Mr and Mrs B said they didn't complain to us between 2018 and March 2021 because AXA had assured them it would deal with everything. They'd endured at least six visits to their home before 2018 and AXA should have done more, and acted differently at that time, which would have prevented what followed.
- They maintain that the repairs are as bad as they think, rather than to the less severe level I have determined.

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 note Mr and Mrs B's clarification that it was 2015 that work was done.

It may assist Mr and Mrs B if I explain that my background – in this and the provisional decision I issued previously – sets out the situation as led to a decision by this service needing to be made. The background now contains a copy of my provisional findings. But, initially, it had no findings from me in it. Its purpose is to set out what had happened and what the respective parties' views were. This then enables me to address the relevant positions in my findings.

I understand that Mr and Mrs B think there was nothing untoward at the property when the contractor attended in December 2020. But the contractor who had previously been trying to resolve things then changed its mind. And I think that relations between the parties were then so frayed it would not be fair or reasonable to either one of them to put them into a position where they have to continue to work together for Mr and Mrs B to get any closer to resolving the issues at their home. So I do think that, in the circumstances here, AXA settling in cash is a fair and reasonable way forwards.

I've seen nothing that makes me think the sums AXA is offering are unfair and unreasonable, that insufficient funds caused poor work in the first place or that the sums for re-work played any role in AXA not completing that further work. I know Mr and Mrs B are having difficulty finding someone to reinstate their kitchen. And I've considered again their concerns about the damage and work which needs to be done. But I am satisfied that reinstating the kitchen, in respect of the repairs and for the cost I've set out is not an impossible proposition.

I know AXA had been asking for estimates. And I referenced exactly that in my provisional findings, sometimes not making awards because I was satisfied AXA's offer to consider estimates was reasonable. But AXA offering to consider estimates was never an answer for the issue of the items it had not accepted liability for. Regarding the items I've now found it

needs to settle for, it is more than capable of determining what a likely repair cost will be. Taking a step like that is the only way that this prolonged claim and complaint can fairly and reasonably be drawn to a close.

And for that reason I am also requiring AXA to pay amounts to cover the VAT sums that would likely be charged for the repairs in question. There is nothing stopping AXA paying an amount equivalent to VAT. As I explained provisionally, I think it is fair and reasonable for me to require AXA to do that in this instance. I remain of that view.

I appreciate that Mr and Mrs B have been told by a number of contractors that there are issues with the framework and worktops in their kitchen, such that the kitchen must be replaced. But those contractors are looking for work and are not as qualified to determine the cause of problems in the kitchen as the surveyor was. And who didn't find any overall issues with the quality of fitting of the kitchen. I understand they think the quality of the kitchen is not as it was before – and the surveyor didn't know what they had before. But they had an opportunity to explain all their issues to the surveyor and share any evidence they felt relevant. The surveyor didn't find the kitchen was of poor quality. I remain of the view that it would not be fair or reasonable for me to make AXA replace their kitchen.

I can't possibly mention every visit which occurred and every finding made by any of the attendees during the course of this claim. As I explained in my provisional findings, I took the two lists of issues from both parties and worked through them to explain which items I felt AXA still has some liability for resolving.

I did not say the worktop had delaminated due to poor fitting – I said the surveyor had been appointed to identify all issues of poor work – and he had not said there was any issue with the worktops. I appreciate they feel it is damaged due to poor fitting and/or attempts to repair other issues of poor fitting. But the surveyor did not identify an issue with the worktop. So I can't reasonably make AXA replace it.

Regarding the second door, if it was the fan that caused this problem, fitting an incorrect fan is poor work. But doors most commonly swell following a water leak due to improper drying. So damage like this is something a surveyor considering reports of poor work would, I think, likely spot and comment on. Even if only to discount it as having been caused by something other than poor work. So I'm not persuaded that the surveyor most likely saw this issue and simply disregarded it without comment. I remain of the view that AXA isn't reasonably liable for paying to replace the second door.

I note Mr and Mrs B's comments about the visit from the manufacturers. But AXA's offer for the carousel and larder unit reflected the cost for these two items to be replaced. As I said provisionally, I think that is fair and reasonable.

I know Mr and Mrs B believe that completing a small bit of re-wiring to the electrical system in their kitchen is the best way to resolve the issue they have with the lighting. But, having considered what both parties have said about this, and bearing in mind that, as I've explained, AXA doesn't have to put them back into exactly the same position as before – just as closely as reasonably possible, I'm satisfied that AXA's settlement offer is fair and reasonable.

I know Mr and Mrs B say the contractors they have spoken to can't repair the kitchen drawers. But I'm not persuaded that means the surveyors view, that they can be repaired, is most likely wrong. I'm not going to require AXA to do more regarding the drawers.

I appreciate Mr and Mrs B saying two boards are affected – but the surveyor only found one. I can't reasonably make AXA pay for resolving both.

I also appreciate Mr and Mrs B's report regarding the closers and hinges. But the surveyor only found one broken hinge. I can't reasonably require AXA to cover the cost of repairing/replacing more than that.

Regarding the back door, I appreciate that Mr and Mrs B had concerns from early on, both about the door and how their home was being treated. But that doesn't mean the problem they now have with the door was caused by or is related to all of that. The surveyor said he couldn't say that was the case. I accept he was not independent of AXA. But I don't think that means I shouldn't give weight to what he found regarding the back door. After all he did find other issues in the kitchen which he attributed to poor work of AXA. I'm not going to make AXA pay more for resolving the issue with the door.

My view on the carpet and the surveyor's findings in that respect is the same as that stated above in respect of the door. But I'd add that just because the contractor failed to seal the home doesn't mean the carpet necessarily suffered damage as a result. The surveyor didn't think the condition of the carpet had been caused by the contractors not taking care during the works. I'm not going to make AXA pay for this.

I haven't seen anything that makes me think the kitchen needs to be re-tiled in order for issues with the edging to be resolved. I'm not persuaded it would be fair or reasonable for me to make AXA do more regarding the tile edging.

I'm sorry Mr and Mrs B feel they were forced to accept the sink. And I accept that they feel it is inferior. But the only impact of that they are reporting is that the sink is more prone to expansion thereby making noises. I'm not persuaded – even if I accept AXA unreasonably forced a different sink on them, which reacts slightly differently to the one they had before – that means the item is generally inferior.

I understand why Mr and Mrs B might think AXA should be responsible for the reported faulty cooker circuit. But I can't assume that an item is now faulty because of work AXA did previously.

I can't assume the surveyor didn't look at the stopcock – he was sent to assess issues of poor work and that work included the water supply having been switched off. I appreciate it was after the surveyor's visit that Mr and Mrs B were told there was a problem with the stopcock – but I'm not persuaded the surveyor missed this, such that I can take their word for it that AXA's contractor installed it incorrectly.

I note Mr and Mrs B believe AXA prevented them from complaining to us. But they had a final response dated April 2018 which said they had six-months from the date of that letter to complain. It was always up to them whether or not to do so. But I have considered what happened in the years since the 2018 letter. And I've found that, during that time, AXA did fail them.

I've noted the summary AXA has given of how it thinks things progressed during April 2018 to March 2021. And that it doesn't feel it was responsible for the delays I set out in my provisional findings. But my provisional findings were made having carefully considered all of AXA's submission and everything Mr and Mrs B had told us. AXA's summary or point of view, given by someone in reply to what I have said, doesn't persuade me my assessment of things was unfair or unreasonable. Similarly, I note that Mr and Mrs B disagree with the level of poor work I've found affected them. But their responses haven't persuaded me to change my view in this respect. Which all means that I still think that AXA caused delays as set out in my provisional findings and that a total of £2,000 compensation (with £750 of that having

already been paid) is fairly and reasonably due to make up for the distress and inconvenience Mr and Mrs B were caused.

Having reconsidered everything in light of the parties' responses to my provisional findings, my views on the complaint and its fair and reasonable outcome have not changed. My provisional findings, along with my further comments here, are now the findings of this, my final decision.

Putting things right

I require AXA to pay Mr and Mrs B:

- £505.60 as VAT due on the settlement sum of £2,528.
- An amount, inclusive of VAT to rectify the gapping around the cooker – reference 15(E).
- A sum which reflects what AXA paid to redecorate during the original claim works. It will then have to apply interest* to that figure from the date the costs for redecorating were determined, until settlement is made to Mr and Mrs B. If the sum AXA was charged did not include VAT, it will have to calculate what VAT is due for the total sum owed to Mr and Mrs B, and pay them the total sum. Reference 16(J).
- An amount, including fitting and VAT, to replace the kitchen/utility door – 17(S).
- An amount including VAT to buy and fit a “shock arrester” – 21(G).
- An amount, including VAT, so a new extractor fan can be purchased – 3(4).
- A sum, including VAT, for the window board to be replaced – 7(7).
- A sum, including VAT, for the wall fittings to be reinstated, as per 20(16) above.
- £1,250 compensation for distress and inconvenience, where the total due is £2,000, £750 of which has already been paid.

I also require AXA to:

- Give Mr and Mrs B details of what area and work its redecoration cost covers – 16(J).
- Provide a box of spare tiles – 14(13)&(15).
- If Mr and Mrs B present it with estimates for the work it has agreed to do and/or which I've found it is liable for the cost of, consider those estimates. And pay any additional cost incurred by Mr and Mrs B for the agreed/specified work, from the costs agreed or which I've found are due for that work.

*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 requires AXA to take off tax from this interest. If asked, it must give Mr and Mrs B 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 in “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 16 September 2022.

Fiona Robinson

Ombudsman