

The complaint

Mrs S complains about AXA Insurance UK Plc's handling of a claim she made on a home insurance policy.

What happened

Mrs S insures her home with AXA. A wooden floor was damaged and she made a claim for this.

After carrying out enquiries, AXA concluded the claim wasn't covered by the policy. The cause of the damage couldn't be established. It said if the cause could be ascertained, it would look at whether this was something covered by the policy.

Mrs S was unhappy about this and complained to AXA. She was also unhappy about delays and communication during the claim process and that AXA had collected a policy excess from her but not made any settlement of the claim.

AXA agreed there had been issues with its handling of the claim and paid £100 compensation to Mrs S. It said that its response to cover for the claim had been fair.

Mrs S referred the complaint to our service. Our investigator thought that AXA's response in terms of the policy cover and the compensation paid was reasonable. She said AXA should refund the policy excess. AXA agreed with this but Mrs S didn't. She said that AXA should pay additional compensation.

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.

There are three separate issues which I need to address within this decision which I'll address individually.

Cover for the claim

The terms and conditions of Mrs S' policy detail the various perils, or causes of damage, which will be covered. In order for a claim to be covered, it needs to have been caused by one of the listed perils. I don't intend to list all of these.

The burden of proof to show that the damage claimed has been caused by one of the covered perils falls on the policyholder, in this case Mrs S.

While there's no dispute that the wooden floor has sustained damage, the various investigations carried out haven't been able to identify the cause of this. Where the cause can't be established, it's not possible to confirm whether the damage has been caused by one of the insured perils, and whether it falls within the scope of the policy cover.

I'm satisfied AXA has acted fairly when it said it can't cover repairs to the floor at this point.

It's said if a cause can be established, then it will reconsider its position. I think this is fair. Without a cause, it can't be confirmed whether the policy covers to this damage.

Claim handling

It's accepted that making an insurance claim is likely to cause a degree of distress and inconvenience. An insurer isn't responsible for that. Insurers have a duty to handle claims promptly and effectively. Where that doesn't happen, it's appropriate for additional distress and inconvenience to be recognised.

In this case, I agree that there were aspects of the claim that could have been handled better. There were occasions when the level of communication with Mrs S wasn't adequate, and she needed to make contact in order to be updated on what was happening. The lack of updates seem to have arisen due to a lack of meaningful progress with the claim on occasion.

AXA's recognised this and said that it would pay £100 compensation to Mrs S. I think that this recognises the additional distress and inconvenience caused to Mrs S because of the poor claim handling. The effect wasn't negligible and should be acknowledged by way of compensation but I can't agree that it was so significant as to require AXA to pay more than this.

The excess payment

During the course of the investigations into whether the claim would be covered, Mrs S made a payment of to cover the policy excess.

Mrs S' claim has been unsuccessful, for the reasons highlighted previously. I've concluded AXA's decision regarding cover was fair. As the claim was unsuccessful, AXA should refund the excess payment. The excess is intended to be the policyholder's contribution to the claim settlement. No settlement has been made, or is anticipated. The excess should therefore be returned to Mrs S. I understand AXA now agrees with this position.

I would add that if, following further evidence being put forward by Mrs S, the claim is covered by AXA, it would be entitled to either deduct the excess from any settlement payment made to her, or obtain a payment from her to cover the excess if the repairs are carried out by its preferred contractors. That only applies if cover for the claim is accepted.

My final decision

It's my final decision to uphold this complaint in part. In order to put things right, AXA Insurance UK Plc must refund the excess payment to Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 10 October 2022.

Ben Williams
Ombudsman