

The complaint

Mrs B has complained about her property insurer AXA Insurance UK Plc in relation to a claim made when a leak from a dishwasher was found at her home. AXA used various contractors during the claim, it is responsible for their actions.

What happened

Mrs B noted damage in her kitchen to floor tiling in May 2021 and a leak from the dishwasher was suspected, found and repaired. She made a claim to AXA and its assessor wondered if there was more than one leak as the kitchen floor was very wet. It was decided that further trace and access work would be undertaken, that happened in July. It was October 2021 before the contractors looked to start arranging the strip-out and drying works – but no start date was arranged until after Mrs B chased AXA in January 2022.

Work to strip and dry the property began in February 2022, with an expected completion date for all works being April 2022. But it was August before the family moved home. Between February and August 2022 the family had been living in alternative accommodation – but this was only ever organised for a few weeks at a time and the family moved location 10 times in that period.

Mrs B had complained to AXA about the progress of the claim, as well as the living arrangements and in July and September 2022 AXA issued final response letters responding to her concerns. AXA accepted it had failed Mrs B and her family in its handling of things. It said it would pay a total of £1,475 compensation. It said it would look into paying Mrs B for extra fuel used whilst living away from home, and into snagging concerns raised when the family had moved home (with a surveyor attending shortly after the September final response was issued). Mrs B remained unhappy, she felt compensation of £20,000 was in order and she complained to the Financial Ombudsman Service.

Our Investigator felt AXA hadn't handled things well at all. She accepted that this had caused Mrs B a lot of upset over a prolonged period. She felt AXA should pay a further £1,000 compensation.

Mrs B was disappointed – but recognised that our Investigator felt this was a fair sum. AXA said it didn't think such an increased amount was fair and reasonable. But said it would offer a further £500. Mrs B was further disappointed by AXA seeking to reduce the recommended compensation amount. She wasn't minded to agree to that sum. The complaint was passed to me for an Ombudsman's consideration.

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 can see from AXA's file that it accepts it got this claim wrong – that it was one where a loss adjuster should have been appointed at an early stage to ensure it was managed and progressed properly. I think if that simple step had been done then the works would have

been progressed much quicker, the underlying issues that kept cropping up would have been uncovered earlier and the disruption to the family would have been less, as a better plan and approach to their living arrangements could have been organised to begin with.

For example, at the start of the claim the kitchen floor was found to be soaked. The kitchen is not large. But at no time in the early part of the claim did any of the experts involved in the reinstatement programme think to check the rooms in close proximity to that 'soaked' floor. So the strip-out and drying programme focused only on the kitchen and it was only after that area had been declared dry that, in March 2022, concerns were raised about laminate flooring in the hall. And it was also only then that it was decided the kitchen base units would need replacing. This then led to further stripping and drying being undertaken in May 2022, a year after the claim had initially been raised, and a month after the initial completion date of April 2022. It also meant that a new kitchen had to be ordered, with a lead time for that accommodated. I highlight these as just a couple of simple examples which evidence how poor management and a lack of oversight impacted the progress of the claim. Appointment of a loss adjuster, I think, would have meant these issues would have been identified earlier and managed better.

Further, I think AXA acknowledges that the family had some very specific needs. I appreciate that it isn't always possible to gauge exactly how long work will take. However, I think it's clear that even whilst the living arrangements were being made, the period estimated for the family to be without the kitchen – until 25 February 2022 – was accepted as being likely optimistic. But initially that is when accommodation was arranged until and it was a holiday let type property. Within the first few weeks of that booking though that accommodation was extended until 18 March 2022. It was within about a week of that first extension that the kitchen and flooring issues were identified, I think the type and period of accommodation should have been reviewed at that point and a short-term let agreed for the family to move to. I think a competent loss adjuster would have noted that need and acted to implement that. Instead the family encountered a period of months of extensions and moving accommodation – where each move, because this was holiday type accommodation, made the family effectively 'homeless' each day after 'check-out' until 'check-in' later that day. I think that would have been difficult for anyone to deal with, and more so for Mrs B with the specific needs of her family, which AXA knew about. It's something that better management of the claim would have avoided.

I can see from AXA's file that after February 2022, it noted that the claim was on-going, that this was unacceptable and that the situation with the accommodation was also unreasonable. I can also see that it tried at times to get things back under control and to take steps to push for the work to be done. I note it considered appointing a loss adjuster but felt that, at that stage, would just cause more delays. I can understand its view in that respect. I do think AXA tried to resolve this and I think the level of compensation proffered in its final response letters indicated that it accepted it had made mistakes here which caused significant upset to Mrs B. But I am satisfied that despite these good intentions, the proffered amount was not fair and reasonable in the circumstances here.

I realise that Mrs B has had some legal advice which suggests that, in court, she might get in excess of £20,000 compensation. But as our Investigator explained, that is not in line with the awards made by this service.

Total compensation of £2,475 recognises the sustained distress and severe impact on daily life that AXA's failings had, over a prolonged period of more than a year. Where in this case the accommodation issues were on-going over a roughly six-month period but the claim itself had gone on for more than a year, with delays occurring throughout. In explaining that I'd add that I've only considered the delay and accommodation issues up until the final response of 13 September 2022. I haven't looked at the snagging/poor work issues or the

state the property was in, as a result of those, when the family returned home at the end of August 2022. For the complaints about delays and accommodation, as answered by AXA in its final responses of 22 July 2022 and 13 September 2022, I'm satisfied that total compensation of £2,475 is fairly and reasonably due.

Putting things right

I require AXA to pay Mrs B a further £1,000. Making my total compensation award £2,475 where £1,475 has already been paid.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 25 May 2023.

Fiona Robinson
Ombudsman