

The complaint

Mrs M complains about her home insurer, AXA Insurance UK Plc's delays, lack of communication and failure to carry out adequate repairs following her claim.

What happened

Mrs M made a claim to AXA for damage to her home caused by escapes of water in September 2019 and March 2020. She said the second leak was due to poor repairs carried out on the first leak. AXA disagreed and responded to Mrs M's previous complaints in January and February 2021. Our service previously considered Mrs M's complaints concerning the period of the claim from February 2021 to January 2022.

Mrs M is unhappy with the handling of her claim as this meant further repairs were needed. She said AXA only accepted responsibility for this in 2021 when she obtained her own expert report showing that damage to a wall in her home was due to a leak in September 2019. She said the repairs were delayed until August 2022, nearly three years after the first leak. She said her kitchen ceiling cracked due to poor workmanship after the 2019 claim.

Mrs M said it was unfair for AXA to make her arrange quotes and the repairs. And said AXA didn't respond when she sent a quote for the kitchen ceiling repair. She said she received no reassurance that upon dismantling the wall any further damage would be re-assessed or covered. She would like a copy of the report from a specialist who assessed the wall coating.

AXA said that it addressed Mrs M's previous complaint and will only deal with matters from January 2022. It said its loss adjusters attended Mrs M's home in February 2022 and it confirmed its acceptance of the claim and requested she obtain an estimate for repair of her ceiling. AXA said Mrs M provided a quote and payment was made in March 2022. It said cash settlement was discussed with her during the visit in February 2022. AXA apologised to Mrs M for not paying previously awarded compensation and paid this at £500, as well as a further sum of £150.

Mrs M was unhappy with AXA's response saying it didn't acknowledge the delays in dealing with her claim. She referred her complaint to our service in February 2022 and we said our involvement is limited to events from 5 January 2022 to 15 August 2022.

Our investigator recommended the complaint be upheld. She said contrary to what AXA said we can consider Mrs M's complaint of February 2022 as it concerns AXA's decision that month to belatedly accept liability for the claim, and so the complaint couldn't be made beforehand. She said we hadn't addressed claim liability in our response of August 2022. The investigator said AXA accepted, but hadn't explained why it took two years to deal with Mrs M's claim and the lack of investigations. Or why it told her to get a quote for repairs and cash settled, when it knew she was vulnerable. She said additional compensation of £150 was fair and there was no need for an additional report about Mrs M's wall as it had been repaired. But she said AXA should have reassured Mrs M it would deal with further damage when removing the wall given the likelihood of this and her anxiety. She said dealing with the claim for two years impacted Mrs M's mental health and AXA should have managed it proactively and settled in 2020. She said AXA should pay Mrs M £1,500 compensation.

Mrs M accepted the view, but AXA did not and disputed that we could look at the complaint about the delayed claim. It said it isn't possible to separate liability and workmanship issues and in order to validate the claim it needed to confirm the cause of the damage, and this led to delays. AXA said while these matters were unresolved it had paid compensation for previous delays and poor service. AXA requested an ombudsman review the complaint.

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.

Because AXA disputes our authority to review Mrs M's complaint I have looked to see if her complaint about the delayed decision by AXA to accept her claim is one that we can consider. I note that Mrs M brought a previous complaint about the handling of her claim and AXA accepted our recommendation that it pay her compensation for what happened between 13 February 2021 and 4 January 2022.

I can see that AXA dealt with the complaint presented previously by Mrs M and that it has explained its actions since January 2022 when it accepted her claim. However, AXA only accepted liability for the claim in February 2022 and so this complaint point has only been capable of our consideration since that time and so I consider it to have been brought within the time limit for the referral of complaints.

I've looked at Mrs M's complaint from the time of AXA's last response in January 2022 to August 2022 when we responded on the other complaint issues brought by Mrs M. And this includes its delayed acceptance of liability for the claim. I'm pleased that AXA eventually accepted liability but sorry to learn about how long it took to get the damage repaired. I can see that progress was largely due to the report Mrs M obtained, though I don't understand why this was necessary. I'm pleased that Mrs M has said she's not noticed any further damage resulting from her claim, following the repairs.

AXA acknowledged slight delays in its loss adjusters appointing contractors following receipt of Mrs M's report, and in processing the payment of £7,584 on the invoice of contractors and the final report. AXA said that no further costs were presented. I think this is a fair assessment of the later stages of the claim and AXA's compensation is fair. I also think it was fair for AXA to pay Mrs M £150 compensation for the delayed payment of the previous compensation.

For the sake of completeness I have looked at Mrs M's other complaint points. Mrs M is unhappy she had to provide a quote for the repairs. Her policy gives AXA authority to resolve a claim in different ways and this includes by means of cash settlement. Given the ongoing disputes with the workmanship I think it was reasonable for AXA to take this approach. I'm pleased Mrs M was able to provide a quote promptly. If this had not been possible, AXA said it would have explored other options with her.

Mrs M was concerned about a lack of reassurance from AXA about covering further damage that might emerge during the repairs. I think her policy gave her that reassurance and an insurer only has to respond to present damage at the time rather than a hypothetical scenario. AXA said it had no record of the specialist report to which Mrs M referred. Mrs M's wall has since been repaired without a specialist coating or further problems, so I think the lack of a report about this is not an issue.

In terms of the complaint about why it took AXA until February 2022 to accept liability for the claim. There is no proper explanation for why this took so long and the lack of investigation

by AXA into the damage. It's also unclear why Mrs M had to obtain her own expert report about the damage.

Putting things right

I agree with the investigator that the delay was unacceptable, particularly given Mrs M's vulnerability and AXA's lack of support. Mrs M has described how she has suffered severe anxiety and depression and I've seen that AXA was aware of her vulnerability. Notwithstanding the compensation previously paid by AXA including for delays, I think the £1,500 compensation recommended by the investigator is about right for the adverse impact this had on Mrs M's mental wellbeing during this period.

My final decision

For the reasons I have given above it is my final decision that the complaint is upheld. I require AXA Insurance UK Plc to pay Mrs M compensation of £1,500 for the distress and inconvenience caused by its delayed acceptance of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 1 May 2023.

Andrew Fraser
Ombudsman