

The complaint

Mr and Mrs P have complained about delays by AXA Insurance UK Plc in dealing with the claim they made on their property insurance following an escape of water in their kitchen.

What happened

Towards the end of 2021, Mr and Mrs P lodged a claim with AXA following a water leak in their kitchen.

After several weeks, the floor was lifted. Other tiles were found underneath, which it was suspected contained asbestos. Mr and Mrs P were told the tiles needed to be tested to check they could be safely removed before work could progress.

The tiles did contain asbestos. But Mr and Mrs P have said that it was five months before they were removed from their home – which caused them considerable worry about the impact this was having on their and their family's health.

After the tiles were removed, there were further delays in progressing the repairs. Because the kitchen had to be removed and re-installed, Mr and Mrs P were provided with a kitchen pod, which they were to use for 12 days. But the delays meant they ended up relying on it for nine weeks.

Mr and Mrs P complained to AXA about what had happened – and about the many hours of calls they made to try and get matters progressed. AXA accepted that there had been delays in progressing the claim, specifically in relation to the asbestos removal, the kitchen pod and in arranging storage for their possessions while repairs were done. To compensate Mr and Mrs P for what had gone wrong, AXA waived the £500 excess due in respect of the claim.

Mr and Mrs P didn't feel this sufficiently compensated them for what had happened and brought their complaint to our service. Our investigator asked AXA to provide their business file to help her assess the complaint. AXA didn't provide this. So the investigator considered the complaint on the basis of the information available.

She concluded that the £500 Mr and Mrs P had received – by not having to pay their excess – wasn't sufficient to compensate them for what had gone wrong. So she said AXA should pay them a further £500 compensation.

Mr and Mrs P have accepted the investigator's view. AXA haven't responded. So I've been asked to make a decision.

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.

Having done that, I'm upholding Mr and Mrs P's complaint, in line with our investigator's view. I'll explain why.

AXA didn't respond to receiving our investigator's view, or to my notifying them that, in the absence of a response, I'd make my decision based on the information available to me. So that's what I've done.

I've read the information Mr and Mrs P have sent us. As AXA said in their final response letter, it's inevitably disruptive to have to make an insurance claim. But I've no doubt the situation was made considerably worse by the delays by, and lack of information from, AXA and their agents. AXA have recognised this. So I've focused on what's the right level of compensation to recognise what happened.

Putting things right

AXA have already compensated Mr and Mrs P by waiving the £500 excess they'd otherwise have to pay. When they came to us, Mr and Mrs P thought this didn't go far enough to compensate them and that £5,000 was a more appropriate amount for the distress and inconvenience they'd suffered – though they did, reluctantly, accept the investigator's view.

It's clear from the comments I've read that Mr and Mrs P were most concerned about being exposed to asbestos in their home. That's understandable, given the well-publicised health issues which can arise from prolonged exposure. I've thought extremely carefully about this.

While I understand their concerns, Mr and Mrs P haven't suggested they or their family have suffered any ill-health as a result of the tiles being exposed in the kitchen. That's consistent with information on the NHS website, which suggests that exposure over many years would be necessary to have an impact on health. So I don't think it's reasonable to increase the amount of compensation AXA should pay because of this.

We decide how much compensation a business should pay on a case by case basis. And we publish guidance on the sorts of factors we take into account on our website. Our investigator said total compensation of £1,000 (made up of the £500 excess waiver and a £500 payment) was fair.

I've thought about this. The guidance indicates a payment of this amount may be made:

"...where the impact of a business's mistake has caused substantial distress, upset and worry....There may have been serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes over a year."

I think the descriptions Mr and Mrs P have given us about the impact on their lives are consistent with this guidance, both in terms of the level of disruption they suffered and for how long. So I agree with our investigator's view that AXA should pay them an additional £500, to bring the total compensation they've received up to £1,000.

My final decision

For the reasons I've explained, I'm upholding Mr and Mrs P's complaint about AXA Insurance UK Plc and directing AXA to pay Mr and Mrs P £500, in addition to waiving their £500 policy excess.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 3 April 2023.

Helen Stacey

Ombudsman