

The complaint

Mr and Mrs L complain about how AXA Insurance UK Plc settled a claim they made on their home insurance policy.

Reference to AXA includes its agents.

What happened

Mr and Mrs L held a home insurance policy with AXA. When their home suffered an escape of water, they made a claim to AXA. AXA accepted the claim.

But Mr and Mrs L complain about how AXA settled it. The escape of water damaged some of the upstands in the kitchen. And AXA contributed 50% toward the undamaged upstands too.

But it didn't contribute toward the undamaged worktops. It said it considered these a separate part.

Mr and Mrs L didn't think this was fair. They thought it should be considered a matching set because the worktops were designed to match the upstands, so they both needed to look the same.

AXA didn't change its stance, so Mr and Mrs L brought their complaint to us. One of our investigators didn't think AXA needed do anything more.

Mr and Mrs L didn't agree and asked for an ombudsman's decision.

I issued a provisional decision in March 2023. It said that based on what I'd seen, I was thinking of upholding Mr and Mrs L's complaint. That decision said:

- *"Mr and Mrs L's policy with AXA says "The insurer will treat any individual items of a matching set or suite of furniture, sanitary ware or other bathroom fittings as a single item. The insurer will pay you for individual damaged items but not for undamaged companion pieces. If the individual damaged items cannot be repaired or a replacement found the insurer will also pay up to 50% towards the undamaged part of the suite of furniture, sanitary ware or bathroom fittings."*
- *From this, it's clear the policy provides a contribution of 50% to undamaged parts of matching set where a repair or replacement of the damaged part can't be done. And in this case, the upstands were no longer available, so an alternative replacement needed to be found.*
- *AXA acted in line with the policy when contributing 50% of the cost of the upstands.*
- *But AXA considers the worktops to be a separate part and not a matching set.*
- *I'm not persuaded that's fair. The worktops in most kitchens are designed to either match or contrast with the upstands – with the vast majority matching.*

- *Mr and Mrs L purchased the kitchen as one design, and it was clearly intended that the worktops match the upstands. So, I think the fair and reasonable thing to do would be to consider the worktops as part of the matching set and contribute 50% of the cost to replace them.*
- *Not having the claim paid as they thought and having to find more money themselves to pay for the worktops would have been distressing. And the chasing of AXA to try and get it to change its mind would have been inconvenient too. For that, AXA should pay Mr and Mrs L a total of £100 compensation."*

AXA accepted my provisional decision without further comment.

Mr and Mrs L made further comment. In summary they said they've not yet received any settlement on this claim (they've not been paid for the part AXA originally agreed to pay), they feel the fitting costs should be made explicit and they don't think the £100 compensation is reflective of the distress and inconvenience they experienced. They also didn't think there was anything to discourage AXA from acting this way with other customers. They also wanted an apology from AXA.

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 so, I'm upholding this complaint for the reasons outlined in my provisional decision.

I will however make comment on Mr and Mrs L's further points.

In relation to the settlement. The complaint brought to us was that AXA wouldn't contribute to the worktops and would only contribute to the upstands. My decision is that AXA need to contribute to the worktops. So, this is in addition to its original offer. So, if no settlement had been paid, when AXA does pay Mr and Mrs L, it should include both the worktops and the upstands.

In relation to the costs, I understand Mr and Mrs L think these should be made explicitly clear. But I disagree and don't think it's necessary to move things forward.

And I understand Mr and Mrs L aren't happy with the compensation. But I'm satisfied it's sufficient in the circumstances. Our role isn't to punish AXA. It is to make sure it puts Mr and Mrs L back in the position they should have been had no error been made. My decision makes it clear that I thought AXA were acting unfairly here.

I understand Mr and Mrs L want an apology from AXA too. But I'm not going to require that. AXA had its opportunity to apologise throughout the life of this claim and complaint and chose not to. That's a decision it's entitled to take. But asking it to apologise now, is a somewhat empty gesture. So, for that reason, it's not something I'm going to ask it to do. In any event, the compensation I'm recommending is to acknowledge the distress and inconvenience AXA's actions caused.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. To put things right I require AXA Insurance UK Plc to:

- Pay Mr and Mrs L 50% of the cost of the replacement undamaged worktops. 8% interest should also be added to this payment. Interest should be calculated from the date AXA offered to settle the initial part of the claim for the upstands, to the date it makes this payment.
- Pay Mr and Mrs L £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 7 June 2023.

Joe Thornley
Ombudsman