

## **The complaint**

Mrs B and Mr B complain that AXA Insurance UK Plc (AXA) has unfairly refused a claim they made for damage to their property after a lightning strike.

## **What happened**

The policy held by Mrs B and Mr B appears to have been sold and administered by a third party that I'll call H. However, AXA underwrites the policy and has responsibility for meeting claims, so it has taken this complaint on board. Where I refer to AXA or H in this decision that also includes any other parties that have been involved in the claim.

I'll not go into detail about what happened, as all parties know the background. In summary, it seems that lightning caused an electrical surge in Mrs B and Mr B's home and that resulted in damage to several items, including two large TVs.

Mrs B and Mr B made a claim on their home insurance, but AXA said that neither of the TVs were covered – it said one had screen damage not related to a power surge and the other had the wrong fuse which may have allowed excess power into the TV. It said other items were damaged by the power surge but the replacement cost fell within the excess limit on the policy, so it need not pay for these.

Mrs B and Mr B complained, saying the first TV wasn't damaged when it left them and provided a photo showing no damage taken a few days before it was collected by AXA's nominated courier. They also pointed out that although the other TV turned on, it would no longer connect to a media streamer which had been replaced following the power surge.

H, which was dealing with the claim on behalf of AXA didn't formally respond to the complaint, so we were asked to review the situation.

Our investigator thought AXA had treated Mrs B and Mr B unfairly. She didn't think AXA had done enough to show the damage to the first TV was pre-existing and not caused by the courier – and that Mr B's photo of an undamaged TV was more persuasive. And she was also of the mind that the repairer hadn't considered that the second TV might have been damaged by the power surge via the media streamer. She thought AXA should review the claim again subject to any remaining terms and conditions, and if it chose to settle the claim by cash add interest at 8% per annum from the date the claim was declined (24 June 2022) to the date of settlement. She also thought that AXA should pay £250 compensation for the distress and inconvenience it had caused.

AXA agreed with this view in March 2023, but since then no contact has been made with Mrs B and Mr B by H and they say they are out of pocket because they've had to replace both TVs.

I've been asked to decide this 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.

I've reviewed the information our investigator had when she was issuing her view on this complaint, and I agree with what she said.

First I should note that AXA's contractor agreed that some of the items in the claim *were* damaged by a power surge – which supports the validity of the claim overall.

Turning to the two TVs which are the main issue here, I'm persuaded by the photo Mrs B and Mr B sent in that one of their TVs didn't have physical damage (that is a cracked screen) before it was collected by AXA's damage assessment and repair contractor/courier. I'm satisfied that refusing the claim based on this was unfair.

I've also noted that the repairer seems only to have checked for direct evidence of damage caused by the power surge in the TVs themselves. In particular that seemed to be limited to whether the second TV would switch on and operate. That doesn't cover the scenario Mrs B and Mr B described – which is that the media streaming device contributed to the damage and even though the device(s) have been replaced the TVs no longer connect. As that doesn't seem to have been considered, I'm persuaded it wasn't fair to refuse the claim for the reasons H gave..

Mrs B and Mr B have replaced the two TVs from their own funds. They say they spent about £3,000 and chose TVs with a slightly lower specification than the originals. So they've potentially been out of pocket because of this.

Mrs B and Mr B also complain about how the claim has been handled by H on AXA's behalf. That includes delays and not responding to them, nor providing a proper written response to their complaint. I think the £250 recommended by the investigator is a fair way to make up for this.

### **Putting things right**

To put things right AXA should review the entire claim taking into account any remaining terms and conditions – such as how the excess amount might affect any settlement.

If the claim is met and paid in cash, then to any settlement AXA should add simple interest at 8% per annum from the date the claim was declined (24 June 2022) to the date of payment.

Whether the claim is met or not AXA must pay £250 compensation for the way Mrs B and Mr B have been treated.

I don't know why AXA hasn't acted upon the view our investigator sent some time ago, given that it agreed with it. It may have expected H to put things right. But the meeting of claims ultimately rests with AXA as the underwriter, so it should ensure this claim is reviewed and settled promptly if that's appropriate. By promptly I mean any payment due should be paid within 28 days of Mrs B and Mr B accepting this decision.

### **My final decision**

My decision is that I'm upholding this complaint and I require AXA Insurance UK Plc to take the actions detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 18 July 2023.

Susan Peters  
**Ombudsman**