

## **The complaint**

Mr and Mrs T have complained about the way AXA Insurance UK Plc handled a subsidence claim they made on their home insurance policy.

Mr T has primarily dealt with things so, for simplicity, I'll refer to him only.

Reference to AXA includes its agents and representatives.

## **What happened**

As the circumstances of this complaint aren't in dispute, I'll summarise what's happened.

- Mr T got in touch with AXA in 2018 about crack damage to his property.
- AXA appointed a loss adjuster, who accepted the damage had been caused by subsidence and was covered by the policy. It took steps to deal with the damage. This included drain repairs and vegetation removal, followed by building repairs, which began in October 2019.
- Problems arose with the building repairs, particularly cracking to the render, and Mr T made complaints. AXA responded in November 2020. It accepted there had been poor service and paid compensation.
- The claim continued as AXA tried to complete the render repairs and associated work to an appropriate standard. Mr T reported further cracking to the render, as well as a damp problem that had arisen since the render repairs.
- By June 2022, a different loss adjuster was appointed. They said the previous render work involved the use of the wrong type of mortar, and that had led to the damp problems. They recommended removing the render and mortar and carrying out the work again with the appropriate materials. AXA agreed to do this, had a schedule of work created, and arranged for work to begin in late 2022. Mr T complained about the time it had taken to reach that stage.
- AXA responded to the complaint in October 2022. It conceded there had been long delays and poor communication since its previous complaint response, and this had caused Mr T inconvenience. To put things right, it paid a further £6,500. This was £5,000 compensation and £1,500 for the garage render as a gesture of goodwill.
- Our investigator thought AXA's response to the complaint was reasonable. He was satisfied £6,500 was a fair amount of compensation for what had gone wrong since the previous complaint response.
- Mr T didn't think the compensation offered went far enough to put things right and asked for his complaint to be referred to an Ombudsman.

## 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.

- The scope of this complaint is the claim events between the complaint responses from November 2020 and October 2022. I won't be considering events outside of this timeframe, including anything which has happened since October 2022.
- AXA is required to handle claims promptly and fairly. And to treat its policyholders fairly and reasonably. It's entitled to appoint agents and representatives, including loss adjusters and/or builders, to handle the claim on its behalf. But it nonetheless remains responsible for the claim and its policyholders' treatment.
- It's without doubt that AXA failed to meet its requirements. In its complaint response, it accepted that its claim handling was below the expected standard due to the delays, poor communication and further poor repairs. And AXA's internal notes clearly show it recognised it let Mr and Mrs T down badly. For example, it described its own claim handling as 'catastrophic'. Whilst it considers that was primarily the fault of the first loss adjuster and their builder, who I understand sub-contracted the work to another builder, AXA appointed those agents – so AXA is responsible for the way Mr and Mrs T were treated.
- My role is to consider whether AXA's payment of £6,500 compensation was reasonable in the circumstances. I've read and considered the full claim history, including communication between the various parties involved, focusing on the relevant period of time for the scope of this complaint. As it's not in dispute that AXA failed to treat Mr and Mrs T as it should have done, and AXA's accepted all the complaint points raised, I won't go through everything that's happened in detail. I don't mean that as a discourtesy to Mr and Mrs T – or to diminish what has clearly been a deeply distressing experience for them. It simply reflects the informal nature of this Service.
- Repair originally began in October 2019 and should have been completed to an appropriate standard soon after. There should have been no need for further repairs and/or to rectify other problems caused during the repairs. So the claim should have been concluded long before the scope of this complaint began in November 2020.
- Between then and the end of the scope of this complaint, October 2022, AXA has tried to complete the repairs and put right the associated problems. By the end of that near two year period, that hadn't happened – and there was a lot of work still to be done to complete the repairs to an appropriate standard.
- That means the entire near two year period under consideration for this complaint was avoidable. So all the distress, inconvenience and upset caused to Mr and Mrs T during that time should be compensated for.
- In that time, Mr and Mrs T's home has been damaged – internally and externally. There have been failed attempts to repair the damage, many meetings to discuss the damage and how to put it right, and significant problems with the sub-contracted builder. There's also been lots of communication during that time – although often this took the form of Mr T quite reasonably asking for updates, chasing for progress, and highlighting problems, rather than AXA proactively contacting him.

- It's always disappointing to see things go wrong. But it's even more disappointing when things go wrong, the party at fault recognises that – but several years later, it still hasn't put things right. That's what happened here, and I expect that's caused a great deal of upset for Mr and Mrs T.
- AXA paid £6,500 compensation. We generally consider compensation of £5,000 and over to be appropriate where the level of impact on the customer is 'extreme'. So I think AXA has recognised the impact it had on Mr and Mrs T and the amount of compensation was fair and reasonable in the circumstances. As a result, I won't require it to pay any further compensation for the scope of this complaint.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 23 February 2024.

James Neville  
**Ombudsman**