

The complaint

Miss W has complained about the service provided by AXA Insurance UK Plc under a property insurance policy following a water leak.

For the avoidance of doubt, the term 'AXA' includes its agents, representatives and contractors in this decision letter.

What happened

A water leak occurred at Miss W's flat. Miss W reported the matter to AXA as the relevant insurer in November 2022, and it sent engineers to investigate and stop the leak. Miss W was unhappy about the delays in progressing the claim and lack of communication. She also said that AXA's agents had created holes in the ceiling, causing water to leak and causing damage. She further complained about the behaviour of AXA's loss adjuster. AXA accepted that there had been service failures in handling the claim, and it offered Miss W £475 in compensation for the distress and inconvenience caused.

Miss W was unhappy about the outcome of her complaint and referred the matter to this service. The relevant investigator upheld Miss W's complaint and considered there had been six weeks of unnecessary delays, plus additional delays in March 2023. He also considered that there had been a lack of communication by AXA. Although AXA had upheld the complaint, the investigator didn't think it had sufficiently considered the impact of the delays upon Miss W. He also considered that AXA should have been more proactive in dealing with the claim, particularly by January 2023, when it was made aware that the property was damp, and Miss W had a young child. He therefore recommended that AXA pay £300 in compensation for further distress and inconvenience. In addition, he said that AXA should consider provision of alternative accommodation as appropriate.

Both parties were unhappy with the outcome of the complaint. Miss W thought that the compensation award was too low, whilst AXA thought it was too high. In the circumstances, the matter has been referred to me to make a final decision in my role as 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 key issue for me to consider is whether AXA acted in a fair and reasonable manner in handling this claim from November 2022 to April 2023, and also in relation to the compensation it offered. I don't consider that it's acted fairly and reasonably in all respects and I'll explain why. In reaching this final decision, I've also considered the parties' submissions as summarised below.

I firstly turn to Miss W's submissions. She said that after reporting the leak in her kitchen, she was put up in a hotel for a week, but was shortly placed back in the damp, mouldy flat with a young baby. She said that AXA had sent out a leak specialist, and they came back

four times. However, she said they didn't fix the leak and flooded the flat. Miss W said that her new kitchen and flooring were ruined.

Miss W also said that the communication by AXA had been terrible. She'd had to run her heating and humidifiers to dry the rooms out and was offered £50 towards her energy bills, £250 for parking and food for the hotel, and compensation for lack of communication and delays. Miss W wanted AXA to repair the leak, replace the kitchen and flooring and to re-plaster walls and pay additional compensation, as she'd had to take time off work to be at home for contractors, and the issue was still no closer to being fixed.

In conclusion, Miss W said she'd experienced distress and inconvenience '*due to the lack of care AXA provided.*' She was disappointed by the additional amount of £300 compensation awarded by the investigator. She said that the issues still hadn't been sorted out and she'd been waiting over six months for her repairs to be completed and thought '*This is not on!*'

I now turn to what AXA has said about Miss W's complaint about delay in claims progression and lack of communication between November 2022 and April 2023. AXA accepted that its appointed specialists didn't attend the property for many weeks and then had to attend multiple times. It said that leak detection then had to stop for asbestos testing to take place. It said that Miss W was initially moved into alternative accommodation during asbestos testing, and that once it was established the property was safe, she moved back into her flat.

It accepted that there had then been further delays due to the agent not taking on instructions for leak detection to resume. As a result, Miss W had to chase AXA on multiple occasions for updates. As to missed days from work, it said that it was unfortunately within its policy terms and conditions that customers should make themselves available for visits to ensure that the claim was progressed. It also acknowledged that holes were placed in the ceiling by its contractors and confirmed that '*this will be part of the rectification work when the leak is found, and the damage can be resolved.*' As to the loss adjuster's behaviour, AXA said that feedback had been provided to those involved.

In March 2023, AXA assured Miss W that it would keep Miss W updated about progress, to ensure the claim progressed in a smooth manner and it awarded £400 compensation. In April 2023, AXA accepted that there had been further '*sporadic delays*' caused by its agent. It therefore awarded a further £75 for the further distress and inconvenience caused. It sincerely apologised for the issues Miss W had faced. It said that AXA had high standards, and that it had failed to meet them on this occasion.

AXA also provided its case notes relating the matter and these confirmed that asbestos checks had been carried out and unfortunately, this meant that the contractor had stopped leak detection work. The notes also confirmed that at the beginning of 2023, water was still leaking into the property when the water was turned back on. Reference was made to water '*pouring*' through the ceiling. It was also clear at this point that AXA was aware that Miss W had a young child in the flat, that they couldn't live in those conditions and so needed alternative accommodation. The notes also refer to damage to laminate flooring and a delay in reimbursing energy costs.

Having considered all of the evidence and submissions, the reasons for my final decision are as follows. I'm satisfied that Miss W suffered considerable distress and inconvenience for the duration of the complaint period, which was from November 2022 to April 2023.

It's inevitable unfortunately that an escape of water event like this, and the attendant claims procedure cause considerable distress and disruption. Concerns as to the presence of asbestos in a property can also significantly extend the process of leak detection and this is

not necessarily something for which we can hold the insurer responsible. It's noted that the asbestos test was negative.

In this case however, AXA has acknowledged that there were delays over and above the delays caused by asbestos testing. It's acknowledged that its contractor failed to investigate the issue for several weeks, that it didn't promptly resume leak detection following asbestos testing and that there was also a delay in providing a contribution to energy costs. It also acknowledged poor communication with Miss W, and I have no reason to disbelieve Miss W about the conduct of AXA's representative on one occasion, for which AXA has apologised.

This service may award compensation in cases where additional distress and inconvenience is caused by an insurer's service failures or where there have been avoidable delays in processing claims. I have a great deal of sympathy for the ordeal which Miss W has been through over the period covered by the complaint, and which appears to be continuing. I can therefore understand why she would be looking for significant compensation. However, £775 compensation in total is consistent with the level of compensation this service would expect an insurer to pay for distress and inconvenience caused by service failures, where there is the presence of a vulnerable person or child as in this case and where the distress and inconvenience continues for a period of months.

I'm satisfied that £775 compensation in total is a fair amount in response to Miss W's complaint. This comprises a £300 award on top of the £475 compensation already offered or paid by AXA. This in recognition of the distress and inconvenience caused by its handling of Miss W's claim between November 2022 and April 2023.

I note that AXA has committed to ensuring that the flat is habitable for Miss W and her child. It's therefore expected that this check is carried out as a matter of urgency and that the leak will have been fixed. It's also expected that any remedial works to Miss W's flat, if caused by the leak and covered by the policy, or if caused by AXA's contractors, will have been carried out. As Miss W's complaint related to the period November 2022 to April 2023 only, any further delays or lack of communication following the date of AXA's final response letters would, unfortunately, need to be raised in a new complaint by Miss W. This provides the insurer with a right to first respond and address any further concerns as appropriate and before any complaint is referred to this service.

My final decision

For the reasons given above, I uphold Miss W's complaint and I require AXA Insurance UK Plc to do the following in response to the complaint:

- To pay an additional £300 for the distress and inconvenience caused. This is in addition to the sum of £475 already offered or paid by AXA
- To diligently and urgently settle Miss W's claim, and to ascertain whether her flat is habitable and take action as appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 28 September 2023.

Claire Jones
Ombudsman