

## **The complaint**

Mr B complains that AXA Insurance UK Limited (AXA) failed to settle his claim properly, under his home insurance policy.

## **What happened**

Mr B was a victim of an attempted burglary at his home and burglary of his outbuilding. He contacted AXA to make a claim. He reported that in the early hours of the morning someone had attempted to break into the main dwelling by forcing the bi-fold doors and the French doors. They were unable to gain access, so tried the outbuilding. They smashed the glazed doors of the outbuilding and stole a bike and trailer. Mr B scared them off and called the police.

AXA sent an assessor to assess the damage caused. They advised that Mr B's doors to the outbuilding should be replaced. But the doors that had been forced at the main dwelling, should be repaired. They also said that a step (to the outbuilding) that had also become damaged should be replaced. They offered £4,622.07 including VAT, in respect of the doors. And they offered £900 including VAT for the step.

Mr B didn't agree with AXA's assessment as he had contacted an independent contractor who advised that the door to the main dwelling would need to be replaced rather than repaired for a variety of reasons. The replacement door and step quote that Mr B received was for £9,583.02.

AXA asked Mr B why he thought the door should be replaced rather than repaired. Mr B explained why and sent AXA his contractor's report, that outlined the reasons why. A few weeks later AXA maintained its position with the doors. At which point, Mr B raised a complaint. AXA said that it would pass the complaint to its technical team for a response.

Mr B waited for around three months for AXA's technical team to get to him. As he heard nothing from AXA and because his home remained insecure due to the burglary, Mr B instructed another contractor who replaced the doors and step. This cost Mr B £8,886.

Mr B raised another complaint with AXA and as he didn't receive a final response, he referred his complaint to our service, as he had been given his referral rights.

One of our investigators considered the complaint and thought it should be upheld. He said that AXA had been provided with Mr B's contractor's report that gave details as to why the doors should be replaced rather than repaired. He noted that AXA didn't comment on the report nor give reasons why it thought the doors could be repaired, rather than replaced. So, he recommended that AXA reimburse in full Mr B's costs. He also recommended that AXA pay Mr B £200 compensation for all the avoidable delays caused by AXA during the claims process.

Mr B accepted the view, AXA did not. AXA said that it believed that its contractor who were leading glazing experts, could have repaired the doors. It provided evidence from its expert in support of this. It also relied upon the policy terms and conditions that said that it would only pay for repairs up to the amount that it would have cost it to carry out the repair. So, it felt that it shouldn't reimburse Mr B's costs in full and asked for a decision from 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.

Having done so, I will uphold this complaint, for much the same reasons as our investigator. And I will explain why I think this is fair.

I've considered all the evidence from both parties, as well as their comments. I think the main issue of this complaint is whether AXA ought to reimburse all of Mr B's costs incurred as a result of the claim he made.

AXA has relied upon the policy terms and conditions in that it states that where a claim is accepted and a cash payment is agreed, it would only reimburse the costs of any repairs that it would have paid via its own contractors: *'Where We replace an item, we will do our best to meet the original specification on a new for old basis. If We can't find an exact replacement, we'll offer. You a suitable alternative, or a full cash settlement. If You want to upgrade, all We ask is that You pay the difference.'*

In addition, it provided comments from its contractor who advised that the doors could be repaired, rather than replaced. It noted the damage. And said that the main reason why Mr B's contractor was unable to repair the doors, was because they were unable to source the necessary materials to carry out the repairs. Whereas its contractor was able to source the items and affect the repair. So, it was unable to agree to reimburse Mr B's full costs.

I understand AXA's position. In that the policy terms and conditions state that it would only offer a cash settlement up to the amount it would've cost them to carry out the repairs or replace an item.

AXA said that the doors could be repaired and as such its contractor was able to carry out the repairs at a cost of £4,622.07.

Mr B said that he sent AXA a detailed report that outlined why a replacement, rather than repair, was more suitable. I note that only one of the reasons was the lack of being able to obtain the necessary materials to carry out the repairs. I think the other reason is more persuasive. That is, the report stated:

*'To help explain more the reasoning as to my recommendation to replace the aluminium Bi Folding doors and not offering repair service is as follows:*

- *The existing doors are Polyester Powder Coated that has been exposed to the suns UV rays over time. A repair would likely be strayed so I cannot guarantee that the finish would be a good enough match.*
- *The damaged sections on the doors are not a section that we can identify and therefore could not obtain new sections.*
- *The repair route, in my opinion is highly likely not to be the satisfaction of the customer.'*

I don't think Mr B was being unreasonable wanting to ensure that the doors that would be repaired (according to AXA) would both match his existing door. And moreover, ensure that his door was going to be of the same standard as his existing doors.

Even though AXA has now provided the information regarding why it believed that repair was the more suitable method of settlement. This information, I think came far too late.

AXA told Mr B that it had passed his claim to its technical department for further assessment. Then from what I can see, did not come back to him. As a result, and as Mr B said that his home remained insecure since the incident, I think it was reasonable for Mr B to have wanted to ensure the security of his home.

I'm satisfied that AXA delayed the progress of Mr B's claim, which I think was unreasonable. I haven't been provided with any information from AXA as to the reasons for the excessive delay. Consequently, I think it's fair and reasonable for AXA to reimburse in full, all of Mr B's costs.

I note that Mr B appeared to have mitigated the costs, given that the first quote that he received to replace the doors was much higher.

In addition, I'm satisfied that AXA ought to pay Mr B £200 compensation for the trouble and upset caused, namely for all of the delays and poor communication, Mr B experienced during the claims process. Which I think is fair and in line with our guidelines on compensation.

### **Putting things right**

Taking all of the circumstances into consideration, and to put matters right, I direct AXA as I set out below.

### **My final decision**

For the reasons given, I uphold Mr B's complaint.

To put matters right, AXA Insurance UK Limited to:

Reimburse Mr B's full costs he incurred, £8,886.00

To pay Mr B a total of £200 compensation for the trouble and upset caused.

AXA Insurance UK Limited must pay the above amounts within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 October 2023.

Ayisha Savage  
**Ombudsman**