

The complaint

Miss A is unhappy with AXA Insurance Plc's handling of a subsidence claim made under her building insurance policy.

Where I've referred to AXA, this also includes any actions and communications from agents appointed by AXA to handle the claim on their behalf.

What happened

In September 2021 Miss A reported movement to her home to AXA, her building insurance provider.

Ultimately it was concluded that a damaged drain was causing subsidence. Drain repairs were completed along with monitoring to check the property had stabilised. However, Miss A's property still hasn't been repaired.

Miss A has raised several complaints with AXA. This included complaints about delays in the claim, a lack of progress and updates, delays in receiving payments for alternative accommodation, and about the repairs.

AXA issued several final responses across the claim. Miss A was unhappy with how the claim was progressing, and the ongoing service she was receiving, so she approached this service.

Our investigator outlined the period they were considering in this complaint. And for that period, she didn't think the £475 compensation offered by AXA was enough. So, she recommended this be increased to £750.

The investigator also said given what had happened, and the delays, AXA should provide a clear timeline of when repair works would start and finish. And she noted that there had been delays in alternative accommodation payments being made, so she said a set date for payment should be agreed, rather than on a 28-day rolling basis.

AXA agreed with the investigator's recommendations. Miss A also broadly agreed and the complaint was closed. However, Miss A later said she'd like a final decision from an ombudsman. She also let our service know about ongoing issues she was having.

The case was passed to me for a final decision.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm issuing a provisional decision. I broadly agree with what the investigator recommended for the period they were considering as part of this complaint – when they recommended it in March 2023.

However, things have moved along in the claim since that point and each party is at a different position to then. Whilst I agree the suggested resolutions were reasonable when the investigator suggested it, I can't direct AXA to carry out all the recommendations in a final decision, as AXA wouldn't be able to comply with this now. Therefore, I'm issuing a provisional decision to explain why this is, and what I think AXA needs to do for the period I'm considering, taking into account things have moved on and how/if AXA would be able to comply with any directions I make.

I don't intend on commenting on everything that happened during the claim (for the period I'm considering), as both parties are already aware, and this isn't disputed. I don't mean this as a discourtesy to either party, instead it reflects the informal nature of this service and my role within it. But I'd like to reassure both parties that I've considered all the information provided when reaching my provisional decision.

I'll also explain the period I'm considering. The claim was made in September 2021, AXA issued several final responses to the various complaints raised by Miss A. The first final response was issued by AXA on 30 November 2021. In this, AXA paid £75 compensation for the delays and lack of updates. However, this complaint doesn't form part of my consideration of matters here as it isn't in my jurisdiction to do so. I've written separately to both parties to explain why this is.

After 30 November 2021, AXA issued final responses on 4 July 2022, 31 December 2022 and 24 February 2023. I'm considering events post 30 November 2021 to 24 February 2023.

Compensation for service issues

In AXA's final responses for the period I'm considering, in summary, they said:

- 4 July 2022 - £175 compensation for telling Miss A she needed to arrange drain clearance herself, along with a delay in responding to the complaint*
- 31 December 2022 - £200 compensation for delays and lack of progress, along with delays in alternative accommodation payments*
- 24 February 2023 - £100 compensation for ongoing delays in the claim and alternative accommodation payments*

Therefore, it isn't in dispute that the service Miss A received from AXA fell short. This includes, delays, multiple surveys being required, Miss A being incorrectly told she'd need to unblock the drains, no updates, not addressing concerns with boiler safety and delays in alternative accommodation and associated payments. Our investigator didn't think the £475 compensation offered by AXA overall was sufficient for this period and what happened. Instead, she recommended this be increased to £750.

I agree with the increase suggested by our investigator. Having taken everything into account (for the period I'm considering), I think £750 is fair and reasonable in all the circumstances. So, unless anything changes as a result of the responses to my provisional decision, that's what I'll be directing AXA to pay Miss A.

Delays in alternative accommodation payments

During the claim, alternative accommodation was agreed as Miss A's property became uninhabitable. Miss A provided suggestions of suitable accommodation, and AXA agreed to pay £80 per night. This was paid in blocks of 28 days.

However, there were delays in this being paid at some points during the period I'm considering. This meant Miss A had to chase payments and recalculate the 28-day periods to ensure there were no gaps.

Due to the inconvenience this was causing to Miss A, as part of the investigator's recommendations, she suggested AXA should (and they agreed to):

"Provide you (Miss A) with a set date for when payment for alternative accommodation will be made by. At the moment, you said it's paid every 28 days but, this is causing problems as you always have to chase them for payment. Having a set date every month will hopefully manage this going forward."

AXA agreed to this, and this was also relayed to Miss A. At the point which the investigator was considering (up to the last final response dated 24 February 2023) and when they proposed this, I think that was fair. And if the position on the claim was still the same now, it's likely I would have directed AXA to do this too.

However, since that time, AXA has ceased paying for alternative accommodation. This has happened after the period I'm considering. So, the reasons for this don't form part of this complaint consideration, and I can't decide here whether AXA's reasons are fair.

Instead, that would be a new separate complaint. And AXA has recently issued a final response in relation to that point. So, a separate complaint has been set up with this service to consider the reason this stopped and whether that's fair.

As AXA is no longer paying alternative accommodation, for the period I'm considering here, I can't direct AXA to make payments in line with what the investigator recommended, as this is historic, so it isn't something AXA would be able to comply with if they are no longer making alternative accommodation payments.

So, I'm not minded to direct AXA to do anything else in relation to this (for the period I'm considering). But I have taken into account the impact of the late payments during the period I'm considering when reaching a provisional decision on the amount of compensation I'm minded to direct AXA to pay.

Repair works

It's clear, as outlined above, the service has fallen short. There has been delays, and poor communication, which I've taken into account when considering appropriate compensation for the period I'm considering.

When our investigator considered the complaint, based on the position up to that time (the final response of 24 February 2023), she also said AXA should (which they agreed with):

"Provide you (Miss A) with a clear plan on the date the repair works will start and finish. I've explained to them (AXA) that you're keen to return back to your home and as communication between you and them has been very poor, I think it's important for you to have a clear schedule of when the repairs will be completed by."

If things were in the same position as they were when this was recommended, I'd likely have said this was reasonable and directed AXA to do this. However, again, things have moved on, and if I was to direct AXA to do this now, it wouldn't be able to comply, so I can't reasonably direct them to do this.

I say this because currently there is a dispute around the extent of the repairs required, which includes whether to replace the foundations at the property. Miss A has obtained her own survey which has differing views to that of AXA.

But this dispute and position reached has happened after the period I'm considering, so not something I'm able to decide as part of this decision. This means I can't direct AXA to provide a clear plan or timeline on when the works will start and finish because both parties are in a dispute over the repairs required. AXA wouldn't reasonably be able to comply with this, so I can't direct them to do this.

AXA has recently issued a final response in relation to the repairs and their current position – and in the same final response as the alternative accommodation ending. So, whether AXA's position on the repairs required is fair and reasonable would also form part of that separate complaint being considered by this service. So, I can't reasonably require AXA to provide a timeline or plan at this stage.

Therefore, in summary, for the reasons outlined, unless anything changes as a result of the responses to my provisional decision, I'll only be directing AXA to increase the compensation to £750 at this stage."

So, I was minded to uphold the complaint in part and to direct AXA to increase the compensation for the period I'm considering from £475 to a total of £750.

The responses to my provisional decision

AXA responded and agreed with the provisional decision, and said they had nothing further to add.

Miss A also responded, but she didn't agree. She said that AXA has continued to provide poor service, and she is no further along in her claim.

Miss A says that the dispute over the extent of the repairs is not a reason to not ask AXA for a timescale for the repairs to be completed, as she said it should be based on the original survey, as that's what the investigator recommended. And whilst disputes will alter that timescale, this would be a starting point. So, Miss A says AXA should be directed to provide a timeline for repairs being completed.

In addition, Miss A also provided details about the latest final response from AXA and what has been happening, and she said she is unsure what the compensation for previous complaints is supposed to do when she wants her house repaired.

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.

And I've thought carefully about the provisional decision I reached and the responses to it. Having done so, and whilst I appreciate Miss A will be disappointed, my final decision remains the same as my provisional decision, and for the same reasons.

I acknowledge what Miss A has said about the ongoing issues she's been having with AXA and her claim. However, this doesn't form part of my consideration here. As outlined in my provisional decision, my consideration is from 30 November 2021 to 24 February 2023. As Miss A is aware, one of our investigators has arranged for a new separate complaint to be set up for events after this period to consider that separately.

I also recognise that Miss A wants AXA to fix her house, and she said she's not sure how the compensation for previous issues is supposed to help with that. However, the role of this service isn't as a claim handler to manage the claim on behalf of AXA. That is their role as Miss A's insurer. Instead, our role is to consider complaints about what has already happened previously, rather than to handle the claim or manage what happens in the future.

So, here I've considered the claim and complaints between 30 November 2021 and 24 February 2023. I've taken into account what went wrong, and what AXA has done to try to put things right for what happened previously, between these periods. As I don't think AXA did enough, that's why I'm directing them to pay additional compensation (increasing the total to £750) for what happened between those points, which is the period I'm considering here.

Miss A also says that a timeline for starting and completing repairs should be provided by AXA - as recommended by our investigator previously. However, I outlined why I wouldn't be directing AXA to do this in my provisional decision.

I won't repeat that in full here, but in summary, this is because when our investigator recommended it, things were progressing. But since that point (and after the period I'm considering here), a dispute has arisen over the extent of the repairs, and that dispute remains unresolved. So, I can't direct AXA to provide a timeline for when it starts and completes works whilst a dispute over the extent of repairs is ongoing, as this will clearly impact things. But, as Miss A is aware, a separate complaint has been set up with this service to consider that repairs dispute.

The same applies, as outlined in my provisional decision, to the investigator's recommendation surrounding alternative accommodation payments being paid on a set day. Since that point, AXA has ceased paying for alternative accommodation, and the reasons for this don't form part of this complaint or the period I'm considering. So, I can't direct AXA to make payments on a set day as they are no longer making payments. But as Miss A is aware, the separate complaint set up with this service will also be considering the reasons for AXA no longer making payments.

My final decision

It's my final decision that I uphold this complaint in part and direct AXA Insurance Plc to:

- Increase the compensation for the period I'm considering, which is set out above, from £475 to a total of £750

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 2 October 2023.

Callum Milne
Ombudsman