

The complaint

Mr T has complained about how AXA Insurance UK Plc (AXA) dealt with a claim under a home insurance policy.

References to AXA include contractors and companies acting on its behalf.

What happened

Mr T contacted AXA to make a claim when his home was burgled. AXA started to deal with the claim. Mr T was concerned about how the claim was progressing. There were issues with AXA's contractors visiting to assess the damage and he was also unhappy with the amount offered to settle the claim, including because he had already paid for some of the work to be done. So, he complained.

When AXA responded to the complaint, it apologised for the delays and accepted its contractor should have dealt with the claim better. It said the contractor first thought it could validate the claim via a desktop review. However, it became clear a visit was required. It took a further month for a loss adjuster to be appointed and a delay in a visit then being booked. AXA said the visit was necessary, but that the delay wasn't acceptable. AXA also said it thought the amount offered for the buildings settlement was reasonable. Discussions were also continuing about the carpet and mattress. AXA also understood that Mr T had provided a loss list, but it hadn't been possible to locate it. AXA said the onus was on its contractor to review the information and respond to Mr T if it had further queries. It offered £225 compensation for the impact on Mr T and the delay in responding to the complaint.

When this service looked at the complaint, our investigator upheld it. She said Mr T seemed to redecorate his home at the suggestion of AXA's contractor, due to delays in AXA being able to appoint anyone to do the work. AXA also accepted there had been issues with assessing the claim and that it could have been handled better. She said AXA should settle the cost of repairs and redecorating at the cost to Mr T and pay an additional £100 compensation, so £325 in total.

As Mr T didn't agree, the complaint was referred to me.

I issued my provisional decision on 12 October 2023. In my provisional decision, I explained the reasons why I was planning to uphold this complaint. I said:

AXA has accepted that the claim wasn't well handled and that there had been delays at various points in the process. From what I can see, there are two separate parts to this claim, the buildings part and the contents part. The redecoration costs are under the buildings part. Mr T has said AXA's contractor told him he could redecorate himself due to delays with appointing AXA's decorators. I'm aware Mr T told this service he told the contractor the redecoration works were going to start and received no response, so he went ahead with them. He said the contractor then made offers to settle the work that didn't cover his costs. From what I can see, Mr T acted on the advice of AXA's contractor to do the work. Mr T also told the contractor before the work started. So, I think AXA needs to pay the cost

of the repairs and redecoration covered by the buildings part of the policy. AXA should also pay interest on this amount, as Mr T lost use of the money.

In terms of the contents part of the claim, which I understand covers items such as Mr T's carpets and furniture, I think different considerations apply. When AXA replied to the complaint, this part of the claim was still being assessed and no agreement had been reached on how to settle it. I accept the lack of an agreed settlement was a key part of the complaint and that both AXA and Mr T seemed to both think a settlement should have been reached sooner. To a large degree, I think what AXA said in response to the complaint was reasonable, which was that the onus was on its contractor to review the claim and go back to Mr T with any queries. However, I think AXA could have gone further to try and bring the claim to a close.

So, I intend to require AXA to do the following. It should assess the claim based on the information currently available to it and put an offer to Mr T to settle the claim and explain what it covers. If it is unable to make an offer to settle the contents part of the claim, AXA must write to Mr T to explain what the issues are and what needs to happen to bring the contents part of the claim to a close. AXA needs to put the offer and any issues in writing, as Mr T has previously told this service that its contractor normally dealt with the claim by phone and didn't record the calls and there was then no record of what was discussed. So, to ensure the position on the claim is clear, it needs to be explained in writing, although that isn't intended to prevent AXA from speaking to Mr T as well.

I've also thought about compensation. Both AXA and Mr T agree this claim has taken longer to deal with than it should have, settlement should have been offered much earlier and that its contractor provided poor service. AXA offered £225 compensation in response to the issues. Thinking about this, I currently intend to say that AXA should pay a total of £325 compensation, which includes the £225 it previously offered, for the issues raised as part of this complaint. I think this more fairly reflects the issues and the impact on Mr T up to the date on which AXA responded to the complaint, including him having to keep chasing to progress the claim.

I understand AXA and Mr T might now have reached agreement on the buildings part of the claim and compensation for that. I haven't currently seen evidence of what this covered and whether this took into account issues after the date of the complaint response I'm considering.

I'm aware Mr T has also said loss adjusters have turned up at his home without an appointment and also cancelled other appointments. This was after the date on which AXA responded to the complaint, so I'm unable to comment on this. Mr T would need to complain to AXA about any issues that weren't in his previous complaint, including issues that have happened after the date on which AXA responded to the complaint.

I asked both parties to send me any more information or evidence they wanted me to look at by 9 November 2023.

AXA replied and confirmed it didn't have any further comments. Mr T didn't respond.

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 uphold this complaint and for the reasons given in my provisional decision. I haven't identified any reason to change my view on how I think this complaint should fairly be resolved.

Putting things right

AXA should settle the buildings part of the claim at the cost to Mr T and pay interest on that amount. It should also assess the contents part of the claim and either make an offer in writing to settle it or put in writing what the issues are with settling it and what needs to be done to bring it to a close. It should also pay a total of £325 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require AXA Insurance UK Plc to:

- Settle the buildings part of the claim at the cost to Mr T for him carrying out these works, subject to him providing suitable evidence of the costs.
- Pay 8% simple interest on that amount from the date on which Mr T paid for the work to the date on which it makes the payment.
- Assess the contents part of the claim and either:
 - Make an offer in writing to Mr T to settle the contents part of the claim, explaining what it covers; or
 - Write to Mr T to explain what the issues are with settling this part of the claim and what needs to happen in order to bring it to a close.
- Pay a total of £325 compensation, which includes the £225 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 December 2023.

Louise O'Sullivan
Ombudsman