

The complaint

Mr and Mrs D complain that AXA Insurance UK Plc provided poor repairs to their property following a claim for an escape of water.

What happened

Mr and Mrs D had home insurance with AXA. In June 2019 they made a claim after there was water ingress into their home that damaged their kitchen and bathroom.

AXA sent out a loss adjuster to inspect the damage in August that year, and initially declined the claim as it said the cause wasn't covered by the policy. However Mr and Mrs D pointed out that it had reviewed the claim against the wrong type of policy, and that theirs covered all risks. AXA agreed and said it would look at the claim again - it sent a different loss adjuster to look at the property.

Mr and Mrs D also instructed a contractor to determine the cause, however both their report and the one from AXA's loss adjuster were inconclusive. As the cause of the water ingress hadn't been determined, AXA said it would need to carry out more intrusive investigations.

Following some delays due to the Covid-19 pandemic, by the start of 2021 the cause of the damage had been determined as a problem with the guttering. Mr and Mrs D moved out into alternative accommodation in February 2021 so that work could begin.

During this time Mr and Mrs D complained to AXA about the poor service they'd received. AXA offered a total of £1,100 compensation to apologise for the delay it caused by initially incorrectly declining the claim and the poor service provided after. Mr and Mrs D brought this complaint to this service but our investigator didn't recommend it be upheld.

Following this, work began to rectify the issue and repair the damage to Mr and Mrs D's property. And in August 2021 they moved back into the property as repairs were nearly complete. However they were unhappy with what had been carried out and raised concerns with AXA. For example there were kitchen units that had been water damaged but remained in place and were causing damp. And the flooring in the bathroom was making a crunching noise when it was walked on, so it didn't appear to have been laid correctly.

Over the months that followed AXA accepted that the work had been carried out to a poor standard and needed to be re-done. It offered around £23,000 as a cash settlement to cover the work required. Mr and Mrs D didn't accept that this was sufficient to cover the work required and the alternative accommodation that would be needed while it was carried out. They complained to AXA but it said the offer was a fair one and said it wouldn't increase it. However it offered an additional £1,500 compensation to apologise for the poor workmanship and delays to the claim this had caused.

Mr and Mrs D didn't think this was fair. They said they'd had their own contractor quote for the work and this was closer to £70,000 for all the work required. They brought their complaint to this service.

Our investigator considered the matter but didn't recommend the complaint be upheld. He said that in order to ask AXA to increase the cash settlement, it would need evidence that the cost of the claim related work exceeded the quote provided by its contractor. And it had said the quotes provided by Mr and Mrs D had included work that wasn't related to the claim. However he thought AXA should provide a breakdown of what their quote included, to help move forward with a resolution to the claim. And while he agreed the service AXA had provided had been poor, he thought the compensation offered was fair in the circumstances.

Mr and Mrs D didn't agree with our investigator's outcome. And in the year that followed, were unable to make any further progress with AXA. They also said they'd had to pay for some replacement furniture that had been damaged as part of the claim which they had sent AXA the invoices for, but had never received payment. They asked for the matter to be reviewed by an ombudsman.

My provisional decision

After the complaint came to me, I contacted both sides and informed them of my proposed outcome. I said that as AXA had accepted its contractors had carried out poor work in the first instance, it was for AXA to ensure this was rectified promptly. And I didn't think it had done enough to move this forward. Our investigator had recommended that AXA share a breakdown of the work it had based its cash settlement on and it hadn't done this over a year later. Further, while Mr and Mrs D had shared a number of different quotes with AXA, it hadn't provided anything to show why it didn't consider these suitable.

Further, due to the amount of time that had passed since the quote had been provided, it is likely the cost of the rectification work would have increased and the cash settlement amount would likely not be sufficient at today's prices. However AXA had refused to increase the offer.

Due to this, I recommended that AXA pay for a new contractor to attend the property and put together a fully costed quote for rectifying all claim related damage. And, due to the issues experienced to date, I thought this should be carried out by a contractor chosen by Mr and Mrs D. I said once the quote was received Mr and Mrs D could choose whether to take a cash settlement based on the new quote, or to ask AXA to carry out the work using the chosen contractor that provided the quote. I also thought that due to the time Mr and Mrs D had already spent waiting for the work to be completed, this process should be carried out promptly and the contractor appointed immediately.

In addition I thought AXA should reimburse Mr and Mrs D for the replacement furniture they had paid for as part of the claim. Mr and Mrs D confirmed this was £2,800 and that they had already provided invoices to AXA for this amount. As they have now been without the funds for some time, I also thought it fair that AXA pay Mr and Mrs D 8% simple interest on this amount from the date they paid it until payment is made.

Finally, I didn't think AXA had done enough to recognise the significant distress and inconvenience it had caused Mr and Mrs D. At the point the complaint came to me, the claim had been ongoing for nearly five years. That's significantly longer than I'd expect for a claim of this nature. The original work was carried out across 2021, so it should have been at this point that the claim was resolved, with no further work needed. However AXA has accepted that the work carried out wasn't done to an acceptable standard. Having accepted this in 2021, I would have expected this to have been sorted shortly after the problem was identified. Yet, three years after the original work there has still been no further progress and the poor work hasn't been rectified.

During this time Mr and Mrs D had to live in their house in worsening conditions, without

knowing when it would be fixed. Mr and Mrs D have explained that the work required impacts nearly every room in their house, which has made it very difficult to live with. They've also had to go to the trouble of getting various quotations for work in various areas of the property to provide to AXA, only to receive no response so these quotes ended up being out of date. This has caused them significant inconvenience as they have had to continue to engage with various different contractors and with AXA but without any progress towards a resolution.

Based on this, I said I thought AXA should pay an additional £2,000 compensation on top of what has been offered in response to previous complaints to apologise for the severe delay in rectifying the issues.

Response to my provisional decision

I contacted each side to explain my provisional findings and both Mr and Mrs D and AXA agreed to my suggested course of action.

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.

Following the acceptance of my provisional decision, I am pleased to note that AXA has already instructed the contractor Mr and Mrs D have selected to quote for the work. And a visit has been carried out to put together a new quote.

As both sides have agreed to my proposed resolution, I see no reason to depart from what I laid out above.

My final decision

For the reasons I've given, I uphold Mr and Mrs D's complaint and require AXA Insurance UK Plc to:

- Pay for a contractor chosen by Mr and Mrs D to attend their property and provide a fully costed quote for all the claim related work required to rectify the property.
- Once the quote is provided, Mr and Mrs D can choose whether to accept a cash settlement based on that amount or ask AXA to instruct the contractor and carry out the work.
- Reimburse Mr and Mrs D the £2,800 they paid for replacement furniture that was damaged as part of the claim. AXA should also pay 8% interest on this amount from the date Mr and Mrs D originally paid for the furniture until settlement is paid.
- Pay an additional £2,000 compensational on top of what it's offered previously in response to Mr and Mrs D's complaints, to apologise for the distress and inconvenience it has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 13 March 2024.

Sophie Goodyear
Ombudsman