

The complaint

Mr and Mrs F complain that AXA Insurance UK Plc (“AXA”) has unfairly handled a claim under their landlord policy.

Any reference to Mr and Mrs F or AXA refers to any respective agents or representatives.

What happened

The background of this complaint is well known between both parties and has been detailed at length elsewhere. So, I’ve summarised events.

- In October 2021 Mr and Mrs F’s rental property suffered escape of water damage which caused extensive damage to the home.
- AXA accepted this claim, and various works were completed across the property.
- Across the life of the claim, Mr and Mrs F raised various complaints. AXA responded to these across several final response letters. These were dated 23 November 2021 (“FRL1”), 9 September 2022 (“FRL2”) and 20 December 2022 (“FRL3”).
- Mr and Mrs F complained to this Service. They said a six-month repair had taken 14 months, and this impacted all aspects of their lives, including stress, various missed family events, impacts on work, as well as losing out on charging higher rent for around 10 months. They have explained the impact they believe it has had on them, with Mr F detailing his and Mrs F’s mental and physical health across this time.
- They asked for £5,000 which they said took into account the approximate 700 hours they’d spent dealing with AXA’s agents to put right poor repairs and to progress the claim in light of many delays.
- An Ombudsman has previously considered the jurisdiction of FRL1 and FRL2 complaints brought to this Service. In her decision of 9 August 2023 she explained why she was satisfied they were brought out of time and that there were no exceptional circumstances that prevented them from bringing it in time.
- This meant we could look at only FRL3, within which AXA addressed:
 - a concern that one of AXA’s agents had informed Mr and Mrs F’s previous tenant that Mr and Mrs F had been reimbursed electricity charges for drying equipment – which wasn’t true.
 - delays in receiving a loss of rent and council tax payment.

AXA concluded the tenant should not have been contacted as they were, and that the council tax and loss of rent should’ve been paid much sooner. It paid £125 for this distress and inconvenience it said that was caused.
- Our Investigator looked into what happened and upheld the complaint. She said AXA hadn’t done enough to compensate Mr and Mrs F and increased this by £450. Within the view she took into account much of what happened across the life of the claim. She also put to AXA that it could pay 8% simple interest for period of delay on the loss of rent and council tax payments.

- AXA accepted the view, agreeing to pay an additional £450 and said it would pay 8% simple interest on the respective payments. But Mr and Mrs F disagreed, saying the compensation was not reflective of the impact of the claim on their lives.

So, the complaint was passed to me for an Ombudsman's decision. On 15 February 2024 I issued a provisional decision explaining why I intended to uphold the complaint. I've included an extract of this below.

"Within our Investigator's assessment, she commented on events addressed in FRL1, FRL2, and FRL3.

I want to be clear the scope of this decision is limited to the complaints addressed in FRL3. This was determined within the jurisdiction decision of 9 August 2023 which decided the matters within FRL1 and FRL2 were brought out of time. As a decision has been issued on this matter, this is not something I can reconsider nor is it open for dispute. So, I will only be looking at the complaints regarding delays in payment, and AXA's contact with Mr and Mrs F's former tenant – as these were the only issues addressed in FRL3.

Delay in loss of rent and council tax payment

- AXA has accepted it has caused a delay of six weeks on both the council tax payment, and the loss of rent payment.
- I don't doubt the delay in these payments being made would've impacted Mr and Mrs F financially and been frustrating for them.
- AXA has said it will pay 8% simple interest on these payments for the period they were without these funds. I don't intend on interfering with this. And I have considered the impact of the frustration and distress caused by this event below.

AXA's contact with Mr and Mrs F's former tenant

- Mr and Mrs F's former tenant (Ms N) said she was in communication with AXA for eight months regarding reimbursement of electricity costs related to extensive use of dryers in the property. And after this time, AXA incorrectly told her that the payment had already been paid to Mr and Mrs F directly, and to seek the funds from them.
- Ms N contacted Mr and Mrs F to raise concerns that Mr and Mrs F had not been forthcoming with these funds and expressed extreme frustration at the situation. Ms N felt Mr and Mrs F had not been truthful with her, and felt they had hidden that they'd received payments that were owed to her. She also expressed that she may take legal action regarding this. While I'm not here to consider the impact of any delays on Ms N or her actions, it is clear to me that Mr and Mrs F became the target of this frustration caused by AXA.
- AXA has been clear it should not have reached out to Mr and Mrs F's former tenant to comment on the payments made to Mr and Mrs F (which covered a separate period of additional electric costs since they'd regained the property themselves). Mr and Mrs F have expressed the discomfort this caused them given the potential threat of legal action and additional stress at already stressful time.
- It seems to me this situation was entirely avoidable and I can understand why this would've been so frustrating and distressing to Mr and Mrs F. I say this as

not only did it impact their relationship with this former tenant, but it also carried a potential impact on their reputation as landlords, and left them feeling at risk of potential legal action. And it required Mr and Mrs F to have to engage with Ms N to explain the situation – which thankfully was resolved.

Impact of these issues

- AXA has accepted fault for the above issues – and awarded £125 in total for both issues combined. I don't think this sum reflects the impact of what's happened on Mr and Mrs F. For the jurisdiction reasons I've explained above, I'm unable to comment on any surrounding or wider issues related to the claim – but I do recognise this was already a stressful time for them.
- So given the background of what was going on, the potential impact on reputation and relationship with their former tenant, the fear the threat of legal action, and immediate financial concerns caused by the delay, I'm currently minded to direct AXA to pay a sum of £375 on top of the £125 already paid, bringing this to £500 in total.
- I understand this decision will come as a great disappointment to Mr and Mrs F who have asked this Service to pay a much larger sum for compensation and explained at length the impact of the wider claim on their lives. But again, I must be clear I am limited to only the above issues I can consider, so the compensation awarded in turn is limited to these issues alone and not the full life of the claim."

I gave both parties until 29 February 2024 to respond. AXA responded to say it accepted the decision. Mrs F hasn't responded.

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'm still upholding this complaint. As I've been given nothing new to consider, I see no reason to depart from my provisional decision.

My final decision

For the above reasons, I'm upholding this complaint and directing AXA Insurance UK Plc to pay Mr and Mrs F £375 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 29 March 2024.

Jack Baldry
Ombudsman