

## **The complaint**

Mr S complains that AXA Insurance UK Plc (AXA) unfairly declined his landlord contents insurance claim and provided him with poor service. Any reference to AXA in this final decision includes its respective agents unless specified otherwise.

## **What happened**

The background of this complaint is known in detail to the parties involved so I've summarised what I've found to be the key points.

- Mr S made a claim on his landlord insurance policy for accidental damage to a sofa at his rental property. Mr S reported that the damage was for multiple spills to the sofa caused by his tenants.
- AXA declined the claim on the basis there was more than one incident, so the damage to the sofa had caused it to gradually deteriorate with each occurrence of spillage. It said the policy excludes damage arising from gradual deterioration.
- Mr S complained to AXA that its decision was unfair because he reported the damage as soon as he became aware of it and so the claim should be covered. He was also unhappy with how AXA handled his claim. He said it lacked professionalism and good customer service and failed to log the claim correctly.
- AXA partially upheld Mr S's complaint. It agreed its service could've been better at points and offered Mr S £100 compensation in recognition of this. But it maintained its decision to decline the claim was fair.
- Mr S complained to this service. Our Investigator found AXA's decision to decline the claim was fair and that the compensation offered was sufficient to recognise the poor service Mr S experienced from AXA. So he didn't recommend that AXA do anything other than to pay the £100 compensation it had already offered to Mr S. Mr S disagreed so the complaint has been passed to me to decide.

## **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.

- Generally speaking, contents insurance covers the cost of repairing or replacing the items in the insured property if they are damaged, destroyed or stolen due to a type of unforeseen event often known as an insured event or insured peril.
- Mr S made a claim for accidental damage, which is an insured peril under his policy defined as *"Unexpected and unintended damage caused by something sudden and external."* But like most policies of this nature, this cover is subject to certain terms, conditions and exclusions. And the exclusion AXA appears to have relied on to decline this claim states that the *"policy does not cover claims arising from wear and tear or gradual deterioration."*
- AXA provided the notification of loss calls that Mr S made when logging his claim.

During these calls he says the sofa didn't look like it had been taken care of by the tenants and that it appeared to have deteriorated. He said the damage had occurred due to the tenants' dropping food and liquids on it over multiple occasions and that when they'd tried to clean it the damage hadn't improved.

- By Mr S's own admission, the damage being claimed for happened over multiple occasions and as a result of the tenants not taking care of the sofa. I'm persuaded this is more consistent with gradual damage/wear and tear in this case which is excluded under the policy, and I can't see that it's covered anywhere else. Therefore, I'm satisfied the claim was fairly declined and I so won't be directing AXA to do anything differently in relation to this.
- Mr S has also complained about AXA's service throughout its handling of his claim. Mr S says AXA was unprofessional and failed to properly communicate with him regarding the claim progress. He doesn't think the £100 compensation offered is enough as it doesn't cover the cost of his premiums or the damaged sofa.
- I agree AXA's service could've been better – notably during Mr S's initial calls to AXA where it appears the call handler failed to fully understand and record the claim details, resulting in some confusion around why the claim was being declined. And there were delays in AXA's communication resulting in Mr S having to chase it.
- But the service Mr S received from AXA doesn't change the policy premiums he has to pay, or the outcome of the claim for the reasons already set out above. From what I've seen, AXA's actions understandably led to some upset and inconvenience for Mr S and required a reasonable effort for him to sort out. AXA acknowledged this in its response to Mr S's complaint, and I'm satisfied the £100 it's already offered fairly recognises the impact of this. So I won't be directing AXA to increase this any further.

### **My final decision**

AXA has already made an offer to pay Mr S £100 to recognise its service issues and I think this offer is fair in all the circumstances. So my final decision is that AXA Insurance UK Plc should pay £100\* compensation to Mr S. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 April 2024.

*\* AXA must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.*

Rosie Osuji  
**Ombudsman**