

The complaint

Mr M complains about AXA Insurance UK Plc's handling of claims he made under his home insurance policy.

AXA is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As AXA has accepted it is accountable for the actions of the agents, in my decision, any reference to AXA includes the actions of the agents.

Mr M is represented in his claims and complaints by a loss assessor.

What happened

In March 2022, Mr M made a claim under his home insurance policy with AXA after discovering that lead had been stolen from his roof. Less than a week later, Mr M made another claim under the policy because an outbuilding had been damaged by vandals. Its windows had been smashed and the outbuilding had been set on fire.

AXA appointed a loss adjuster to deal with both claims and he visited the property around a week after the second incident.

Mr M raised a complaint about delays in its progress. AXA responded to this on 5 July 2022. It said that due to various questions over underinsurance, occupancy and claim value, Mr M's claim had been sent to be assessed by AXA's underwriters and senior claims technician. It said it was taking longer than expected due to various outstanding queries.

In September 2022, Mr M's representative logged another complaint on his behalf because there didn't seem to have been any progress with the claims.

In November 2022, AXA instructed another loss adjuster to carry out some further investigations into Mr M's claims. The loss adjuster asked Mr M's representative a number of questions. After receiving Mr M's answers to these, the loss adjuster asked some further questions. He said that on receipt of answers to these questions, he would provide a report to the insurers and request further instructions.

Mr M's representative said Mr M wasn't well but would endeavour to get a response to him as soon as possible. He asked the loss adjuster to provide a copy of the full underwriting folder, a copy of evidence to support one of the loss adjuster's points and a copy of the underwriter's guidelines / restrictions for cover.

The loss adjuster said he would submit Mr M's representative's request for information to AXA. Mr M's representative chased for the information a number of times. He said Mr M would only respond to the outstanding elements once AXA disclosed the information they'd asked for.

Mr M's representative continued to chase AXA and its agents for a response to his information request and the complaint he'd raised. He also asked our service to consider the matter.

On 18 January 2024, AXA issued its final response to Mr M's complaint. It said it appreciated the matter had been with underwriters for an extended period of time. This had been due to a number of issues identified, and they'd had to make enquiries into several points concerning the policy inception to confirm their final decision. It said its claims team had been in regular contact with the underwriters to chase updates and had contacted them to ask for an outcome to be confirmed. It said that liability couldn't be accepted while the claims were under review and would remain on hold.

AXA said it had partly upheld Mr M's complaint as it had taken longer than it would usually expect to make a decision. It awarded Mr M £75 compensation for the delay in making a decision and its failure to respond to his complaint.

Our investigator looked into the matter and thought Mr M's complaint should be upheld. He was only able to consider delays from 5 July 2022 because delays prior to that had already been considered by our service. He thought the length of time it took AXA to decide to carry out further investigations was unreasonable. But he didn't think AXA was solely responsible for delays from December 2022 because Mr M hadn't provided the information AXA needed to progress the claims. He thought AXA should pay Mr M £275, in addition to the £75 it had already awarded him, to compensate him for its poor communication and the delays it was responsible for.

Mr M disagreed with our investigator's outcome. His representative said he couldn't see how Mr M had delayed anything when they were still waiting for the insurers to provide information which they were required to do under the consumer disclosure act. He said the information was requested in January 2023 and over a year later it had still not been provided. He said AXA had ignored emails and not responded in a reasonable manner. He said we had the power to hold it to account and enforce it to apologise and provide the information in order to resolve the complaint.

Mr M's representative said he and Mr M didn't think the compensation was correct given that the property had deteriorated due to AXA's lack of care. He said Mr M had paid out a lot of money for temporary repairs which the insurers weren't paying. Notwithstanding the stress it had caused Mr M and his family.

Mr M's representative said he believed the information request was reasonable and not sensitive for AXA to release under the Consumer Duty.

As Mr M disagrees with our investigator's outcome, 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise.

Mr M previously brought a complaint about delays on these claims which has already been considered by our service. To be clear, in my decision I will only be considering matters complained of from 5 July 2022 up to 18 January 2024.

The relevant industry rules say an insurer should handle claims promptly and fairly. It should also provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

In its response to Mr M's first complaint on 5 July 2022, AXA said the claims were being assessed by its underwriters and senior claims technician. However, there doesn't appear to have been any progress on this until November 2022, when AXA decided to instruct another loss adjuster to carry out some further enquiries.

The second loss adjuster asked Mr M's representative some questions and received answers to these a couple of weeks later. The loss adjuster sent an email with a number of further questions to Mr M's representative on 20 December 2022 making reference to the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

CIDRA requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). Having reviewed the information available to me, there appear to have been inconsistencies in the information Mr M provided when he took out the policy compared to what AXA had found following his claims. So, I think it was reasonable for the loss adjuster to have asked the questions he did when attempting to validate the claims.

I appreciate Mr M wanted further information from AXA. However, I don't think this should have prevented him from answering AXA's questions. So, I'm not persuaded AXA is entirely responsible for delays to the claims from December 2022 onwards.

I understand that Mr M's representative would like me to direct AXA to provide the information he's asked for. However, I'm not persuaded AXA is required to disclose its underwriting criteria. This information is usually considered to be commercially sensitive.

Mr M's representative has commented that AXA has breached the Consumer Duty, which came into effect on 31 July 2023. As Mr M's representative continued to chase for the information Mr M had requested beyond this date, I think the Consumer Duty is a relevant consideration here.

The Consumer Duty principle requires businesses to deliver good outcomes for retail customers. They should act in good faith, avoid causing foreseeable harm and enable and support retail customers.

The consumer understanding outcome of the Consumer Duty requires businesses to give consumers the information they need at the right time and presented in a way they can understand. This doesn't mean AXA is required to disclose commercially sensitive information as Mr M's representative has suggested. However, it does mean that AXA should have clearly explained to Mr M the reasons why it wasn't willing to provide the information he'd asked for.

Even before the Consumer Duty came into effect, I think AXA should have given reasons for not providing the information Mr M's representative had requested, rather than ignoring his emails. It's also unclear why AXA has kept the claims open for so long, rather than making a decision to accept or decline them. I think it should have chased Mr M for the information it needed to validate the claims, before making a decision based on what it had.

I understand Mr M had to pay for temporary repairs to his roof and he's raised concerns about further damage while his claims have remained open. His representative says this has also impacted his mental health. However, there appear to be a number of inconsistencies in the information Mr M provided when he took out the policy and after he made his claims. So, I don't think AXA was in a position to accept his claims without satisfactory answers to the questions the loss adjuster had asked in December 2022.

I think AXA's communication with Mr M and his representative has been poor. It's responsible for delaying the claims from July to November 2022 and is partly responsible for the delays that followed. However, AXA has accepted our investigator's recommendation to increase its compensation award to £350. I think this reasonably recognises the distress and inconvenience Mr M has experienced as a result of AXA's poor service. So, while I appreciate this will be disappointing for Mr M, I think this is a fair outcome to his complaint.

Putting things right

AXA should pay Mr M a total of £350 for distress and inconvenience. It may deduct the £75 it awarded in its final response letter of 18 January 2024 if this has already been paid.

My final decision

For the reasons I've explained, I uphold Mr M's complaint and direct AXA Insurance UK Plc to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 May 2024.

Anne Muscroft
Ombudsman