

The complaint

Mr H complains about AXA Insurance UK Plc's handling of a subsidence claim made under his buildings insurance policy.

Any reference to AXA includes the actions of its agents.

What happened

Mr H holds buildings insurance cover with AXA. He made a subsidence claim in August 2018, which was accepted by AXA. It was found that the cause of the subsidence was some nearby trees. These were removed and monitoring took place which showed the movement had stopped.

Mr H has made a number of complaints to AXA about the claim delays. He has a separate complaint with the Financial Ombudsman Service regarding events up to 30 January 2023. However, Mr H remained unhappy with AXA's handling of his claim after this date, and so he brought a new complaint to us. When he did so, AXA offered £800 compensation for its handling of the claim from 30 January 2023. Mr H didn't accept this offer.

Our investigator considered what had happened. She thought AXA had handled the claim poorly, but concluded the compensation offered by AXA was reasonable.

I issued a provisional decision on 12 March 2024. Here's what I said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

I've only considered what has happened since 30 January 2023.

Although the contractor had said in January 2023 that they couldn't do the repairs, they confirmed in early February 2023 that this was no longer the case, and they could in fact do the repairs. The contractor advised the loss adjuster that they could start the internal repairs within six to eight weeks, but the external repairs could begin much sooner. The loss adjuster thought going ahead with this contractor would be the quickest option for Mr H, which doesn't seem unreasonable given the contractor had already put together a schedule of work.

However, the schedule of work was missing a lot of the repairs. Although the loss adjuster attempted to get this amended by the contractor, the contractor then said in April 2023 that they could no longer do the repairs.

Whilst I can appreciate how upsetting and disappointing this must've been for Mr H and his wife, I can't say that the loss adjuster was responsible for this. The loss adjuster did then quickly appoint a new contractor. Though that contractor did then need to carry out their own site visit, and prepare their own schedule of work. Two site visits took place in May and June 2023 and a new schedule of work was prepared.

I see that various amendments then took place to the schedule of work, and this delayed matters until it was finally approved by AXA in October 2023 (though some amendments were still needed as well as a further site visit). Whilst it's often the case that some back and forth is necessary to arrive at a schedule of work that suits all parties, I think this took too long.

In early November 2023, the contractor confirmed they could start repairs in mid-January 2024.

I see that Mr H and his wife were regularly chasing the loss adjuster for updates throughout 2023, but were often ignored. This was really poor. Given the length of time that the claim had been ongoing, I'm surprised that the loss adjuster or AXA didn't take a more proactive approach and arrange for Mr H to be regularly updated. The lack of communication from the loss adjuster didn't take into account the history of the claim, or the frustrations that Mr H and his wife had already been through.

The loss adjuster did reallocate the case to another staff member, though this didn't happen until November 2023. After this, Mr H and his wife were kept updated. However, the loss adjuster didn't instruct a third party to arrange alternative accommodation until 18 December 2023, despite knowing in early November 2023 of the intended start date for repairs. By leaving it so late, alternative accommodation couldn't be arranged by mid-January 2024, and so repairs had to be delayed yet again.

As I understand it, alternative accommodation has now been arranged and repairs were due to start in early March 2024. This will be nearly a year after the new contractors were appointed, which is far too long.

Given what Mr H and his family have been through with this claim over such a long period, I think AXA should arrange for Mr H to be updated on a regular basis until the repairs are complete.

I also intend to require AXA to pay total compensation of £1,500 to recognise the distress caused to Mr H by the delays it has caused since 30 January 2023, and its poor handling of this claim.'

I asked both parties for any further comments they wanted to make before I issued a final decision.

Mr H responded and accepted my provisional findings.

AXA responded and said it had no further comments.

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.

As neither party has provided any new comments or submissions for me to consider, I see no reason to depart from the findings I made in my provisional decision. So I've reached the same conclusions, and for the same reasons.

My final decision

My final decision is that I uphold this complaint. I require AXA Insurance UK Plc to do the following

- Arrange for Mr H to be regularly updated on the claim until the repairs are completed.
- Pay Mr H £1,500 compensation*.

*AXA must pay the compensation within 28 days of the date on which we tell it Mr H 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 April 2024.

Chantelle Hurn-Ryan
Ombudsman