

The complaint

Ms R is unhappy with how AXA Insurance Plc (AXA) has handled a claim made under her commercial insurance policy.

Any references to AXA include their agents.

What happened

The background to this complaint is well known to both parties, so I've only included a summary here. In July 2018, a property Ms R rents out was flooded. A claim was logged with AXA later in 2018. Ms R's tenants needed to be placed in alternative accommodation whilst the property was dried, and assessments could be carried out to determine what repairs were needed.

Ms R raised a number of complaints with AXA about how long it was taking for the claim to be settled and poor communication in relation to the progress of the complaint. Ms R said the consequence of AXA taking so long to settle the claim was impacting her financially, as she'd not been able to increase the rent when the tenancy renewed as she'd intended. In addition to this, AXA hadn't been clear what areas of damage would be included in the cash settlement. In terms of her tenants, Ms R said the alternative accommodation offered wasn't similar to the property they'd rented, and AXA's agents stopped sourcing properties.

AXA responded to Ms R's complaints between December 2021 and August 2023. Our investigator said the only complaint of Ms R's he could consider was the one responded to by AXA in August 2023 as the others had been referred outside of the six-month referral period. And in response to the complaint we could consider our investigator said the £450 compensation AXA had offered was fair when considering the generally poor service provided in relation to AXA's handling of this part of the claim. He also said AXA had made reasonable attempts to source alternative accommodation and he thought AXA had also made reasonable attempts to arrive at a cash settlement.

Ms R didn't agree, so this matter 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.

First, I'd like to reassure Ms R that while I've summarised the background to this complaint and her submissions to us, I've carefully considered all that's been said and sent. In this decision though, I haven't commented on each point that's been made and nor do our rules require me to. Instead, I've focused on what I think are the key issues that occurred between December 2022 and August 2023.

Ms R complained about delays both in terms of progressing the claim and in communication. AXA accepts there were delays so my role here is to decide if AXA should do more to put things right for Ms R.

In relation to the alternative accommodation, I agree AXAs' agents should have continued to search for properties. However, in January 2023 there also appeared to be a time when a few weeks passed after Ms R had identified a property, but the tenants weren't able to view it in time. Other properties were discounted because they may not have been suitable for the tenants' homeworking or lifestyle arrangements.

It's clear this was a challenging search given the requirements of Ms R's tenants and the location they were searching in. It's important to note AXA wasn't required to offer a like for like property for Ms R's tenants, though was required to offer a similar property. In January 2023 AXA agreed to approve a property identified by Ms R. When that property fell through they later offered a cash settlement for this part of the claim and encouraged Ms R to continue searching.

I consider options were put forward by AXA in the sense they said they would approve properties found by Ms R and offered a cash settlement to pay for six months rental income were reasonable. So, whilst AXA's agents weren't searching at this particular point in the claim, there was still an option available to settle this part of the claim.

It's accepted there have been avoidable delays in settling this claim. In January 2023 Ms R asked a number of questions about what would be covered by a cash settlement. This included questions in respect of her tenants and if they'd have deposits, postal redirections and contents insurance covered. It was In July 2023 AXA noted Ms R had been waiting since May for an updated schedule of works. There isn't a reason given for this (or other) delays and they're unacceptable. Ms R has consistently explained the impact this matter is having on her and the need for the property to be repaired. While it does appear there were some occasions where AXA was waiting for information from the contractor, there were still significant gaps in time that AXA could have avoided, like sending the updated scope of works more quickly than they did.

I appreciate this matter has been ongoing for a very long time. And that Ms R is keen to see this claim resolved so she can carry out repairs so she can rent the property out and receive a rental income she considers more in line with market rates. However, for the reasons I set out in my jurisdiction decision, I'm unable to consider the full history of this claim. If Ms R remains unhappy with AXA's handling of her claim after August 2023, she can make a new complaint (if she hasn't already done so) and can refer that matter back to us for consideration, subject to the relevant time limits.

However, for the time frame I'm able to consider, I'm satisfied the compensation AXA offered of £475, which included £25 for the late response to the complaint, represents a fair outcome to this part of Ms R's complaint, and I'm not going to require AXA to do anything more.

My final decision

My final decision is that I don't uphold Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 30 December 2024.

Emma Hawkins
Ombudsman