

The complaint

Mrs S and Mr S are unhappy with the service provided by AXA Insurance Limited (AXA) following a claim made on their home insurance policy.

Mrs S and Mr S are both parties to this complaint. Mr S has primarily dealt with this service. For ease of reference I have referred to Mr S throughout this final decision.

AXA is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. AXA has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to AXA includes the actions of any third party instructed by AXA during the course of Mr S's claim.

What happened

I set out the background to Mr S's complaint in the provisional decision I issued on 6 June 2024, but I'll set it out again below.

In April 2017 Mr S contacted AXA to make a claim following an incident causing damage to his property. The claim notes recorded '*impact from the car into boundary wall and hit the porch*'. Mr S's claim was passed to company Q to manage on behalf of AXA.

The events following Mr S's claim are well known to both Mr S and AXA, so I haven't repeated them here.

Mr S first complained about the service provided by AXA in 2019, and he brought his complaint to this service in February 2020. During our investigation, Mr S instructed company H to undertake a full post- works survey (FPW survey), and provide a report on the standards and finishing completed by company Q's appointed contractors, along with advice relating to compliance with current building regulation and British standards.

The ombudsman reviewed this evidence and issued a final decision in September 2021. To summarise, the final decision directed AXA to take the following action:

1. Pay for the removal of the roof canopy and obtain an expert report on the roof structure and cause of any damage that is found. And then to carry out repairs linked to the claim incident that are deemed necessary by the expert report. Or to pay Mr S a cash settlement for him to carry out the repairs if this is what he wishes.
2. Re-fit the roof canopy so that it is level and without a dip in the roof line.
3. Carry out the repairs to Mr S's driveway again to the standard required by the local Authority.
4. Reimburse Mr S for the cost of the surveyor's report, which he says was £1,980. Mr S will need to provide evidence of payment to AXA.
5. Pay Mr S additional compensation of £500 that it has offered for the distress and

inconvenience it has caused him. This should bring the total compensation amount to £2,350.

Mr S accepted the ombudsman's final decision in October 2021. This service informed Mr S that AXA would be in touch within four weeks to resolve things in the way the ombudsman has set out.

In February 2022 company Q contacted Mr S offering a cash settlement in resolution of his claim. Mr S said that he didn't want to accept a cash settlement. Mr S also expressed his dissatisfaction with the lack of progress made on his claim since he had accepted the ombudsman's final decision in October 2021.

In May 2022, company Q's appointed surveyor (surveyor V) provided further comments about the FPW survey. Surveyor V said:

'[company H] issued a report dated 24 June 2021 which covered the front roof canopy and driveway.

In addition however the report highlighted defects to the following areas which Mr S had not raised previously:

- *Internal decorations and finishing – considered to be of a poor standard – estimate to remedy £1,500/£1,800*
- *Laminate flooring – installed with wrong underlay – estimate to remedy £2,200/£2,600*
- *External rendering – uneven, not plumb and patchy finish – estimate to remedy £6,500/£7,500*
- *Porch wall construction – constructed without cavities and not bonded; window “gunned out” – estimate to remedy £3,750/£4,750*
- *Windows, Doors & Joinery – casements not square, no sealant, soffits/fascias in ply – estimate to remedy £1,500/£1,800*

The evidence seems fairly compelling but some items are subjective, such as decorations which Mr S didn't mention before [company H's] involvement.'

The claims manager acting for company Q put these comments to AXA's own surveyor (surveyor R). Surveyor R didn't agree with the findings of the FPW survey.

In August 2022 Mr S sent an email detailing a new complaint for AXA. In this email Mr S reiterated the sections from the FPW survey which AXA had failed to deal with. Mr S also expressed his dissatisfaction with the substantial delay in dealing with his claim, and carrying out the actions directed by the ombudsman in the final decision of September 2021. Mr S confirmed he had already rejected a cash settlement, and was awaiting action from AXA as per the ombudsman's direction for putting things right. Mr S also sought payment for his additional expenses following the work that was carried out on his property, and the inconvenience caused to him by AXA's poor handling of his claim.

AXA arranged for a loss adjuster and surveyor from company Q, a surveyor from AXA (surveyor R), and a structural engineer, to attend to complete a site inspection of Mr S's property on 9 September 2022.

Following this inspection, company Q wrote to Mr S on 28 November 2022 detailing the actions it would be willing to take in order to progress Mr S's claim. A report by the structural engineer wasn't produced or provided to Mr S.

Due to illness Mr S was unable to respond to company Q's letter until June 2023. Mr S expressed his dissatisfaction with company Q's response. Mr S said that AXA had failed to provide any supporting expert evidence to explain its reasons for rejecting large parts of his claim. Mr S also said that he had already provided AXA with the evidence that it said remained outstanding before it could progress the claim. On 12 June 2023 AXA made an offer of £23,885 to cash settle Mr S's claim, and to pay Mr S £50 in recognition of the delay in dealing with his claim. Unhappy with AXA's handling of his claim, Mr S referred his complaint to this service for investigation.

The investigator considered the evidence and said AXA must do more to put things right. To summarise, the investigator said AXA should follow the guidance for completing remediation work as detailed in the FPW survey. The investigator explained that where the survey report had requested for a structural engineer to be appointed to provide an expert opinion, AXA should complete this action. The investigator also provided opinion on Mr S's additional complaints including (but not limited to) the disturbance allowance offered by AXA, alternative accommodation, and compensation for the upset caused to Mr S.

Mr S mostly agreed with the investigator's findings. AXA said *'We have already instructed a structural engineer who will carry out a full assessment of standard of works done in the property and the rectification works required as highlighted in [company H's] report. They are currently liaising with the client to arrange a site visit. Our appointed engineers will be happy to have a joint site visit with [company H], if the client agrees, so that all the issues can be addressed properly. At this point, we are not prepared to agree with all the works recommended in [company H's] report pending completion of the structural engineer's investigation and the required works are fully assessed.'*

As the complaint couldn't be resolved it has been passed to me for decision.

I issued a provisional decision on Mr S's complaint. This is what I said about what I'd 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. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Customer service and delays on claim

The ombudsman issued a final decision on Mr S's original complaint in September 2021. However I've seen that AXA took very little action to progress Mr S's claim after this time. It wasn't until February 2022 that Mr S was contacted by AXA with details of a cash settlement offer. Mr S made it clear at this time that he didn't want to cash settle his claim, and instead was looking for AXA to complete the required remedial work as directed by the ombudsman in the final decision. But I can't see that AXA considered this request, or took any steps to move Mr S's claim forward as directed by the ombudsman's ruling.

In August 2022 Mr S raised a further complaint with AXA. It's evident from Mr S's complaint email that he was frustrated and stressed because of AXA's poor handling of his claim, and the continual delays. In September 2022 a site visit was arranged to discuss the issues outstanding with Mr S's claim. AXA has provided no justifiable reason for why it took almost 12 months after Mr S accepted the final decision, for it to arrange a site visit. A site visit could have been arranged much sooner in the claims process, by engaging Mr S and company H. But it took a strongly worded complaint from Mr S for AXA to take this step. This amounts to poor service.

AXA has previously commented that it was Mr S's refusal to allow the claim to progress that prevented it from carrying out the remedial work needed. But I don't agree. Mr S made it clear during his first complaint, and in correspondence with AXA in February 2022, that he didn't want to accept a cash settlement. AXA made no effort to discuss Mr S's claim with either him or company H, after the ombudsman's ruling. No material progress was made until Mr S sent a lengthy complaint email in August 2022. The impact of AXA's poor claims handling caused substantial delay in dealing with Mr S's claim, and also undue upset and stress to Mr S.

As the business responsible for managing Mr S's claim, it was for AXA to have managed the claim proactively. And I can't see that it did this. AXA ought to have carried out the remediation work, with oversight and agreement from both Mr S and the surveyor from company H, a lot sooner than it did. AXA failed to manage Mr S's claim efficiently, causing delays to the claims process over a prolonged period. It wasn't until this service's recent involvement that AXA suggested 'a joint site visit with [company H], if the client agrees, so that all the issues can be addressed properly.' AXA has provided no justifiable reason for why this wasn't suggested sooner in the claims process.

I note Mr S also notified AXA about his on-going health issues in his complaint email of August 2022. But I don't think AXA dealt with this with the level of empathy needed. AXA still failed to provide meaningful and constructive updates to Mr S about his claim, and Mr S was left chasing for updates, even after the site visit took place in September 2022. I'm persuaded this caused further stress and upset to Mr S at a time that he was already dealing with personal health issues. My direction for compensation has considered the impact of AXA's failing on Mr S in light of these circumstances.

I'm persuaded AXA's handling of Mr S's claim has been poor. When thinking about what fair compensation should look like, I've considered the delay, the lack of material progress made on Mr S's claim, and the continual chasers from Mr S to AXA in an attempt to try and move his claim forward. I've also considered the impact on Mr S as a result of the stress caused to him over a prolonged period. And I'm persuaded the impact on Mr S justifies compensation to reflect the severity of what's happened over a long period. I am minded to ask AXA to pay Mr S £2,000 to reflect the poor service identified, and impact on Mr S, for the reasons I've explained. I'm persuaded this amount is in line with our approach, and recognises the upset and inconvenience caused to Mr S as a result of AXA's poor handling of his claim.

Disturbance allowance

Mr S has explained that when remediation work was initially carried out in 2017, he remained in his home instead of taking the option of alternative accommodation. AXA offered Mr S £500 per month disturbance allowance for the period June 2017 to December 2017. Mr S says internal works weren't completed until October 2018, and so disturbance allowance ought to have continued until this time. AXA didn't agree. AXA say by December 2017 most of the remedial work that would've impacted Mr S's daily life, and use of his home, had been completed.

The investigator reviewed the evidence and identified eight days between the period January to October 2018 where work was undertaken by AXA which would've likely impacted Mr S's use of his home. Because of this, the investigator recommended AXA pay for the dates specified.

I've considered the evidence, and the investigator's recommended action for putting things right. I've also considered the reason for paying disturbance allowance, and what it is designed to cover. AXA hasn't provided any specific comments in response to the

investigator's recommendation for it to cover the eight days identified. And given the passage of time, and conflicting testimonies, I'm persuaded it is reasonable and in line with our approach, to ask AXA to pay for the dates identified. So I'm minded to ask AXA to pay for disturbance allowance on a pro-rate basis based on the amount of £500 per month for the following dates:

- 23 to 27 April 2018- rendering work*
- 30 April 18: Multiple works – electrical and carpentry work*
- 3 to 4 October 2018- building and electrical work*

Front room blind and house alarm

Mr S says the front room blind and house alarm need replacing. Mr S has explained he would prefer for AXA to take this action. I've considered Mr S's request, and what's happened on his claim. I haven't seen any evidence to say that Mr S is vulnerable and unable to purchase the items needed that need replacing. So given the time that's passed, and in order to efficiently conclude this part of Mr S's claim, I think it's fair to ask Mr S to provide evidence of this cost to AXA, and for AXA to review, and settle, this part of Mr S's claim, in line with the terms and conditions of Mr S's policy.

Cleaning of home

I note AXA offered £500 in its most recent settlement offer for a final clean. In the absence of any objection from Mr S or AXA, I'm satisfied this amount is fair and reasonable and am minded to ask AXA to pay this amount to Mr S to compensate him for the cleaning costs.

Outstanding remedial work

It's evident Mr S and AXA remain in dispute about large parts of Mr S's outstanding claim- including about the work that's already been completed, and what AXA should do to put things right.

The investigator explained that although Mr S remains concerned about AXA failing to carry out the actions required to repair the roof on his home, this isn't something we can consider under the current complaint because of the rules which tell us what we can and can't look at. And we can't look at a complaint that's already had an ombudsman's final decision that has been accepted by a consumer. It's disappointing that AXA didn't comply with the ombudsman's decision sooner. Whilst this decision hasn't dealt with the outstanding issues relating to the roof, I think it is fair to expect AXA to apply good judgement, and show integrity, when applying the overall directions being made in this decision.

I understand AXA feels strongly that it should have the opportunity to instruct a structural engineer/ surveyor to consider and comment on the outstanding issues. And it may well be, that in order to deal with the roof aspect of Mr S's claim, AXA takes this action. However, for the remaining issues I think it is fair and reasonable for AXA to complete remedial action in line with the FPW survey from July 2021. I'll explain why.

AXA has had ample opportunity to engage Mr S and company H to deal with his claim. It was in July 2021 that Mr S instructed company H to complete an independent survey report. But it wasn't until May 2022 that company Q's appointed surveyor (surveyor V) provided further comments about the FPW survey. I note surveyor V said 'The evidence seems fairly compelling'. I've seen that company Q referred surveyor's V's comments to AXA's own surveyor (surveyor R).

I've reviewed the comments made by surveyor R. And it's evident that surveyor R disagreed

with the findings of the FPW survey. But I can't see that AXA made any attempt to contact either Mr H or company H to discuss the contents of the FPW survey - and specifically the issues AXA disagreed with. So whilst I've considered surveyor R's comments on why large parts of Mr H's claim shouldn't be covered, I've balanced these informal comments with the comprehensive and more formal report prepared by company H. And in doing so, I'm persuaded it is fair and reasonable to rely on the conclusions put forward by the FPW survey, as a way of resolving Mr S's claim.

In reaching this decision I've also considered the comments made by surveyor V after reviewing the FPW survey. Surveyor V concluded that 'The evidence seems fairly compelling'. I'm persuaded in making this comment surveyor V didn't dispute the observations about the quality of the work completed by AXA's appointed contractor. Surveyor V does go on to say 'some items are subjective, such as decorations which Mr S didn't mention before [company H's] involvement' but I don't think these comments override the more specific opinion about the FPW survey overall. I also can't see that surveyor V disputed the actions for putting things right in the way that surveyor R did.

I do accept that for claims of this type there is likely to be some dispute over the quality of repairs, and what needs to be done to put things right. And I'm also mindful that with the passing of time, some of the issues referenced would be very difficult to determine at this stage to be either incident linked, or wear and tear. But having considered the FPW survey produced in July 2021, and the delays on the claim being large caused by AXA's lack of proactive management of Mr S's claim, I'm satisfied a fair resolution is for AXA to now deal with Mr S's claim in line with the conclusions set out in the FPW survey.

I appreciate AXA wants to wait for the structural engineers visit before agreeing to the further works to be carried out. But I'm satisfied AXA has had ample opportunities to progress Mr S's claim, and put things right. It wasn't until the investigator shared findings on the complaint in March 2024 that AXA advised of the option to instruct a structural engineer. The site visit was completed in September 2022. Mr S had previously made it clear that he didn't want to accept a cash settlement. If AXA felt strongly about the conclusions set out in the FPW survey it should've instructed its own experts and provided a copy of this evidence to Mr S and company H sooner. As this wasn't done, I don't agree it would be reasonable to further delay the process at this time.

I should also make it clear that should any dispute arise in carrying out the actions directed in this decision, AXA is encouraged to work with Mr S and company H's appointed surveyor, to reach an amicable and agreeable way forward to conclude Mr S's claim.

Alternative accommodation

The investigator recommended that while remediation work is being completed, AXA should offer Mr S alternative accommodation and/or disruption allowance where appropriate. Mr S questioned 'whether this should be offered on the same basis i.e. alternative accommodation for the period of works, or a disruption allowance only if we choose this?'

I note Mr S feels strongly that given AXA's poor service in dealing with his claim, there's a strong likelihood that AXA will fail to make a reasonable offer for dealing with alternative accommodation/ disturbance when remedial work is carried out. I can appreciate Mr S's apprehensiveness.

At this stage I will not be telling AXA what it should specifically do, or pay. As that will depend on what Mr S chooses, and his circumstances at the time. Mr S should allow AXA the opportunity to make an offer in respect of alternative accommodation/ disturbance allowance. AXA is directed to consider Mr S's request, and make an offer in line with the

terms and conditions to Mr S's policy. Should there be any further issues once Mr S makes his request, this would be the subject of a new complaint that would need to be raised with AXA to answer first.

Putting things right

For the reasons set out above, I intend to uphold this complaint. I intend asking AXA Insurance Limited to settle the complaint as follows:

1. Pay Mr S compensation of £2,000 for distress and inconvenience.
2. Pay additional disturbance allowance on a pro-rate basis based on the amount of £500 per month for the following dates: 23 to 27, and 30 April 2018, and 3 and 4 October 2018 (total of eight days);
3. Reimburse the cost of blinds and an alarm following proof of purchase provided by Mr S;
4. Pay Mr S £500 for cleaning costs;
5. Complete remedial action as directed in the table below:

Area	Directed action
<i>Decoration and Finishing</i>	<i>Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021</i>
<i>Flooring</i>	<i>Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021</i>
<i>Render coating</i>	<i>Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021</i>
<i>Wall construction</i>	<i>Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021</i>
<i>Windows, doors, and joinery</i>	<i>Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021- instruction of structural engineer if required</i>
<i>Paving and walls</i>	<i>Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021</i>

6. AXA has previously offered to have remediation work completed by a panel contractor with the work being signed off by company H's surveyor. AXA should pay for the cost of company H's service;
7. AXA should pay the cost of appointing a structural engineer to comply with the directions of this decision; and
8. Whilst remedial work is being completed AXA should offer Mr S alternative accommodation, or disruption allowance, in line with the terms and conditions of Mr S's policy.

My provisional decision

I am minded asking AXA Insurance Limited to settle Mr S's complaint as detailed above.

Responses to provisional decision

I invited both AXA and Mr S to respond to my provisional decision.

Both AXA and Mr S broadly agreed with the provisional decision, but provided additional comments on some of the actions directed for putting things right.

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.

AXA doesn't agree to paying Mr S £2,000 compensation. AXA says it had attempted to progress matters, but didn't hear back from Mr S, so it is not responsible for delays in dealing with the claim. I've considered AXA's comments. My provisional decision addressed the delays caused by AXA, and AXA's comments don't change these findings. I'm satisfied compensation of £2,000 is fair and reasonable in the circumstances for reasons already explained in my provisional decision.

AXA says the FPW survey is *'is technically incorrect and clearly not independent... If we must comply with [it] irrespective of any validation [this] does not seem reasonable given how we have attempted to progress matters and remain committed to getting matters resolved.'* AXA also say *'AXA remain committed to settling the claim pursuant to the policy terms, at the earliest opportunity, and that commitment is evident in the appointment of a structural engineer... A site visit date of 1 July 2024 has been agreed and, as such, AXA request that the Ombudsman delays issuing a final decision for a period of 4 weeks so that the updated evidence may be disclosed and considered in any final FOS decision issued.'*

I've considered the length of the time the claim has been open for, and the opportunities AXA has had to discuss the FPW survey with Mr S, and AXA's reasons for disputing it. And I can't see that it has done this (until very recently). I've considered AXA's request for keeping the complaint open, but I don't agree this is fair in the circumstances. Doing so will undoubtedly lengthen the claim even further and prevent a timely resolution.

I accept that it's important for cost to be factored into any direction for putting things right, and for the direction to be proportionate to the claim. But given the circumstances I'm satisfied AXA has had sufficient time to resolve things with Mr S. All things considered it's reasonable for AXA to now complete remedial action in line with the FPW survey from July 2021, and to do so, at the earliest opportunity.

I thank Mr S for taking the time to provide personal information about his circumstances, and the impact on him and his family, over the period his claim has been on-going. Mr S has raised a number of points in response to the provisional decision. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

Mr S has questioned the amount of disturbance allowance paid to him. Mr S says this amount should be more for the period July- December 2017, and has referred to the guidelines on our website. I've considered Mr S's comments. But I won't be asking AXA to pay anymore.

I say this because disturbance allowance is usually a payment to recognise actual extra costs a consumer has incurred by choosing to remain in their home. And given the passage of time, it's understandable why AXA and Mr S have different testimonies about what this should be. I'm satisfied my direction asking AXA to pay for the additional dates specified is fair. This recognises what was agreed and accepted by Mr S at the time for the period July- December 2017, and also provides reimbursement for specific dates where additional disturbance would likely have been caused because of the type of work being carried out.

Mr S says *'we may choose to change the type and style of blind, or upgrade the alarm system.'* For completeness, AXA should offer to pay a proportionate cost of replacing these items in line with the terms and conditions of Mr S's policy.

Mr S has asked about compliance with building control regulations, and being provided with appropriate certificates for any work completed. AXA is being directed to complete remediation work in line with the FPW survey from July 2021. I'm satisfied the FPW survey covers compliance with building control regulations, and certification, where appropriate.

Mr S has raised questions about his options once a schedule of works has been agreed. I've considered Mr S's comments. And I can appreciate why he feels apprehensive about how the remainder of his claim will be dealt with. But I don't think it would be reasonable to comment on the specifics of settling Mr S's claim at this time, given the schedule of works has not yet been agreed. I note Mr S is currently in the process of communicating with AXA about the outstanding parts of his claim. This is in line with what we'd expect. Mr S should discuss the options suitable for his circumstances once the schedule of works is completed. We'd expect AXA to deal with any requests in a fair and reasonable manner.

Mr S has asked for further clarification on the roof tiles used to complete repairs. I've considered Mr S's comments carefully. And I'm mindful that repairs to the roof formed part of Mr S's original complaint, which has already had an ombudsman's final decision (albeit not in respect of the specific issue Mr S has referenced in respect of the type of roof tiles used). At this stage, given the extent of remediation work being directed, and the strong likelihood of roof repairs being impacted at the same time, I won't be asking AXA to take any specific actions in respect of the roof tiles. Whilst this decision hasn't dealt with the outstanding issues relating to the roof, I think it is fair to expect AXA to apply good judgement, and show integrity, when applying the overall directions being made in this decision.

I don't think Mr S's or AXA's comments materially change the outcome of Mr S's complaint, or my direction for putting things right.

Putting things right

AXA Insurance Limited is directed to:

1. Pay Mr S compensation of £2,000 for distress and inconvenience.
2. Pay additional disturbance allowance on a pro-rate basis based on the amount of £500 per month for the following dates: 23 to 27, and 30 April 2018, and 3 and 4 October 2018 (total of eight days);
3. Reimburse the cost of blinds and an alarm following proof of purchase provided by Mr S in line with the terms and conditions of Mr S's policy;
4. Pay Mr S £500 for cleaning costs;
5. Complete remedial action as directed in the table below:

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Decoration and Finishing	Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021
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Render coating	Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021
Wall construction	Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021

Windows, doors, and joinery	Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021- instruction of structural engineer if required
Paving and walls	Remediate as per conclusion on page 15 of the FPW survey of 2 July 2021

6. AXA has previously offered to have remediation work completed by a panel contractor with the work being signed off by company H's surveyor. AXA should pay for the cost of company H's service;
7. AXA should pay the cost of appointing a structural engineer to comply with the directions of this decision; and
8. Whilst remedial work is being completed AXA should offer Mr S alternative accommodation, or disruption allowance, in line with the terms and conditions of Mr S's policy.

My final decision

For the reasons provided I uphold this complaint. AXA Insurance Limited must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 25 July 2024.

Neeta Karelia
Ombudsman