

## **The complaint**

Mrs R is unhappy with the amount AXA Insurance UK Plc offered in settlement of a claim she made for stolen contents after her home was burgled.

## **What happened**

Mrs R held a home insurance policy with AXA which was inceptioned in January 2023. Shortly after this, Mrs R's property was burgled, and many valuable items were stolen. Mrs R made a claim to AXA for around £28,000 worth of stolen contents and valuables.

AXA accepted the claim and initially offered £10,530 in settlement. This was based on the values of Mrs R's specified items, and other policy limits which it said applied to the items being claimed for.

Mrs R complained about the amount offered in settlement of her claim, and in particular the limits that had been placed on the settlement by AXA. She said it wasn't clear that a £5,000 limit applied to the sum of high-risk items which hadn't been individually specified. She also complained about the time it had taken for a decision to be made and a settlement offered.

AXA said the policy limits were clearly set out by the broker during the sale, and in the policy literature. But it accepted it had miscalculated the settlement Mrs R was due and apologised. It offered £13,924.84 which it said was the correct settlement, less the policy excess, and it offered £350 compensation for the delay in reaching its claim decision.

One of our investigators considered the complaint, but he didn't think it should be upheld. He said the policy terms clearly set out the limits of cover and that AXA had applied them fairly and reasonably to Mrs R's claim settlement. He didn't think AXA needed to do anything more to resolve Mrs R's complaint.

Mrs R didn't accept our investigator's opinion. So, as no agreement has been reached, 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, and while I understand it's likely to come as a disappointment to Mrs R, I agree with the outcome reached by our investigator. I'll explain why.

Mrs R's policy was sold by a broker. But I want to be clear here that this complaint focuses solely on AXA and the things it was responsible for as Mrs R's insurer. That means I'm considering whether AXA's application of policy limits is in line with the terms and conditions of the policy Mrs R held, and whether it is fair in all the circumstances. I'll answer the complaint Mrs R has about the way the policy was sold to her under a separate final decision.

Mrs R's policy schedule explains that high-risk items worth less than £1,500 do not need to be specified individually, but are only covered up to a total £5,000, or 20% of the contents sum insured, whichever is lower. This is also explained within the policy booklet. The policy schedule also set out a table of the items of contents Mrs R had specifically specified as being worth more than £1,500 individually. This included items Mrs R has claimed for, and the amounts she had insured them for.

The policy booklet also sets out the limits which apply to other items of contents such as *"visitor's contents"* or *"money & cards"*.

I've considered the items Mrs R claimed for, and the amounts AXA has offered in settlement. Having done so, I can see that Mrs R's claim has been broken down into sections. These are high-risk specified items, high-risk non-specified items, money & cards, miscellaneous items and visitor's contents. For the specified high-risk items and the miscellaneous items, AXA has offered the full amount specified or claimed for by Mrs R. For the remaining sections, AXA has offered up to the applicable policy limit.

Given the limits are clearly displayed within the policy literature, and as it's likely the limits and specified item values factored into the overall price AXA charged Mrs R for cover, I don't think it would be fair or reasonable to expect AXA to pay more than the policy limits. So, I'm not upholding this element of Mrs R's complaint against AXA.

Mrs R also complained about the time it took for AXA to decide her claim. I can see AXA has accepted this. It apologised for the impact the delays had on Mrs R at an already stressful time and offered her £350 compensation. AXA also apologised for initially miscalculating the settlement amount.

I've thought carefully about AXA's handling of the claim and the avoidable distress and inconvenience this caused Mrs R. I've also carefully considered the information Mrs R has provided to demonstrate the impact AXA's poor claim handling had on her. Having done so, and while I appreciate this will likely come as a disappointment to Mrs R, I think the compensation and apologies AXA has offered are sufficient to fairly put things right in the circumstances.

I say this because claims of this nature will often involve some level of evidence gathering and communication on the policyholders' part, which will be unavoidably inconvenient, and which I wouldn't award compensation for. Also, while I can see that Mrs R's claim took a long time to be resolved and appreciate this would have caused understandable worry and distress, I think the primary driver of the distress Mrs R has suffered was caused by the claim decision itself, rather than the service in isolation.

As I've decided that AXA's claim decision was ultimately fair, it wouldn't be fair for me to compensate Mrs R for the impact of the claim decision. And while I fully accept that the poor service Mrs R received around the claim decision, will have exacerbated the distress, worry and frustration she experienced, I think £350 compensation, along with AXA's apologies, are enough to fairly put things right for the distress and inconvenience caused solely by its errors. So, I'll not be awarding any additional compensation.

### **My final decision**

AXA Insurance UK Plc has already made an offer to pay £350 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that AXA Insurance UK Plc should pay Mrs R £350 – if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 6 September 2024.

Adam Golding  
**Ombudsman**