

The complaint

Miss B is unhappy with how AXA Insurance UK Plc has settled a contractor's invoice that she believes to be fraudulent.

What happened

This dispute is well known to the parties so I won't detail it all here. But for brief context in keeping with the informal nature of this service:

- Miss B held home insurance with AXA. Her property was damaged by an escape of water and AXA used a contractor (who I will call "C") to repair Miss B's home.
- Miss B learned how much her claim had cost AXA and she became concerned with the amount. She thought that C had invoiced AXA for works it hadn't carried out and for materials it hadn't used. She was worried that C had acted fraudulently by invoicing AXA for these. So, she complained to AXA.
- AXA looked into the matter. When it issued its final response, it said it was still investigating the issues Miss B had raised. But it paid Miss B £100 of compensation to recognise some delays in getting back to her. It said it had escalated Miss B's concerns to its contracts manager and thanked her for her feedback.
- Miss B was still concerned so she referred the matter to the Financial Ombudsman. Our investigator looked into the complaint but didn't think it should be upheld.
- Miss B didn't agree with our investigator's view. She thought it was wrong that AXA had been invoiced for work that hadn't take place. She said C had lied about the extent of the work and she thought AXA had taken C's word for it.

Because Miss B didn't agree, the matter has been passed to me to make a final decision.

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.

I've only summarised the background of the complaint and this isn't intended as a discourtesy. I'd like to reassure the parties that I've read and considered all the information that has been provided to me. Having done so, I'm not upholding the complaint for broadly the same reasons as our investigator.

I know this will be disappointing for Miss B and I recognise her strength of feeling. But I'm not persuaded that AXA has acted unfairly or unreasonably. I've explained why below. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

I understand Miss B is worried that AXA's contractor may have invoiced for work that wasn't carried out, or for items that weren't used. Miss B needs to declare the value of her claim when taking out new insurance policies, so I recognise why she's concerned.

Under Miss B's insurance contract, AXA needed to complete the work to her home, and it had the right to choose how to achieve this. AXA chose to use C to do the work and the work was completed. So, I think AXA has fulfilled its requirements under Miss B's insurance contract as I would expect.

AXA's relationship with C is of a commercial nature, and it isn't for me to make any findings about allegations of fraud against AXA's contractor. But I would still expect to see that AXA took Miss B's concerns seriously, given she has an interest in the value of her claim. AXA has explained that because of a system migration issue it hasn't been able to provide much in the way of documentation, which is unfortunate. But it has demonstrated that it put Miss B's concerns to C and asked for its comments – which is what I would expect. I've also reviewed the schedule of works. C has provided several explanations for the discrepancies that Miss B has raised, and I find the explanations persuasive. I won't list them all here, but I will give some examples.

Miss B is concerned with how many hours C has invoiced for tradesmen, operatives, and managers. Miss B says the personnel were only on site for an hour or two but C has invoiced for several hours. C has explained that tradesmen usually charge a daily rate. And its managers will invoice for things like travel hours and office time.

Miss B is concerned that C has invoiced for items that weren't used, like safety equipment and a skip. C has explained that safety equipment and waste disposal must be included in the schedule of works to comply with health and safety laws and other requirements, even if they don't end up being needed on the job.

Miss B is concerned that C has invoiced for works to her wall that were not carried out. C said works to the wall were added to the schedule of works because it paid a fixed fee to a third-party contractor, the source of the escape of water wasn't confirmed, and C had to carry out and allow for trace and access costs.

Broadly, I don't find C's explanations unusual or unreasonable. But what I think is important is that AXA reviewed C's explanations and has found them to be satisfactory. AXA had an interest in keeping the claim costs down as it was required to pay them. And I think it's likely that AXA holds the knowledge and experience to assess whether C was invoicing it in line with amounts for similar claims. I also haven't seen any independent evidence to show that the works as a whole could have been carried out for less.

AXA did experience delays responding to Miss B's concerns. I can see Miss B needed to chase AXA several times. I appreciate this would have been frustrating and inconvenient. I've kept in mind that AXA had settled the claim by this point, so I don't think this delayed the repairs to Miss B's home. Even so, I think it was right that AXA paid Miss B some compensation for its poor service. I think £100 is a fair amount in the circumstances and is in line with what I would have awarded. So, I don't feel it would be fair to award more.

I want to say again that I recognise why Miss B is concerned. But I haven't seen enough evidence to persuade me that AXA has acted unfairly or unreasonably. AXA has carried out the work to Miss B's home, it has challenged and reviewed the costs, and it was satisfied that they were reasonable. I think these were all fair steps to take in the circumstances. So, I don't require AXA to do anything further to resolve the complaint.

My final decision

For the reasons above, I don't uphold Miss B's complaint about AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 23 December 2024.

Chris Woolaway
Ombudsman