

The complaint

Mr S has complained about AXA Insurance UK Plc's decision to decline a theft claim he made under a home insurance policy he shares jointly with Mrs S.

What happened

Mr and Mrs S bought a home insurance policy through a broker in 2019. They have since renewed their policy through the broker each year.

In October 2023 Mr and Mrs S's home was broken into and items were stolen. They made a theft claim to their insurer, AXA.

AXA declined the claim by applying an endorsement under the policy. The endorsement said that if accessible windows weren't locked, a claim for theft would be excluded from cover. This endorsement was added at renewal in 2020.

Mr S complained to AXA about the broker, about the decision to decline the claim and changes to the policy at subsequent renewal, and about the sale of the policy to Mr and Mrs S. This service has set up a separate case to deal with Mr S's complaints about the sale of the policy against the broker.

Mr S said he told the broker in 2019 that windows on his property didn't have locks. This is set out under the Statement of Fact at each renewal stage.

In April 2024 AXA said its decision to decline the complaint was correct. But it upheld Mr S's complaint about the delay it caused in reaching its decision. AXA took over four months to tell Mr S it wouldn't be dealing with his claim. It accepted it had failed to keep Mr S updated and respond to his requests during this time. AXA said it should have asked for more information when Mr S first reported the theft which would have prompted a decision sooner.

For the distress and inconvenience caused by AXA's delay and poor service, it paid Mr and Mrs S a total compensation award of £450.

Mr S remained unhappy and asked us to look at his complaint.

Our Investigator didn't recommend the complaint should be upheld. She thought AXA had reasonably declined the claim in line with the policy endorsement. And she thought it was entitled to make changes at renewal, provided it set out these changes clearly. The Investigator thought AXA had done this. She thought AXA had paid a fair amount of compensation for its poor service and delay.

Mr S didn't agree. So the case 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.

Mr S says the endorsement which AXA introduced in 2020 was unclear. It isn't in dispute that he advised in 2019 that his windows did not have locks.

As the Investigator explained, how the information about the endorsement was presented to Mr and Mrs S by the broker is a separate issue to the actions of the insurer AXA.

Under the Statement of Fact – which hasn't changed since Mr and Mrs S bought the policy in respect of this question – it reads;

“Are there key-operated window locks fitted to all accessible windows? – No”

At renewal in 2020, AXA added an endorsement, along with other changes. The key information in the renewal cover letter (repeated in subsequent renewal cover letters) reads;

“the cover you have chosen, endorsements and excesses that apply to you. It's important that you read these as they may differ from your policy last year;”

And;

“Your endorsements

An endorsement is a separate term, condition, or extension of cover that applies to your policy. An endorsement supersedes any of the terms within your policy booklet.”

The key endorsement read:

“Property Security - Lock Requirement

All external doors must be fitted with BS3621 level locks or for sealed double glazed doors, a multi-point locking system.

Any patio doors must have patent door locks to prevent lifting. Any French doors must have bolts at the top and bottom of each leaf. Accessible windows must have key-operated locks. If these locks are not fitted, cover for theft or attempted theft will be EXCLUDED.

Theft Explanation

Please note – theft of Contents or Specified Items from within a building (including the home) is only covered where there are signs of damage caused by the thief (or thieves) to get into the building, unless violence or deception was used to gain entry.”

So I think AXA clearly set out the change to the endorsement at renewal, and subsequent renewals. I think the information was presented in a clear way and not misleading.

The circumstances of the incident are that thieves smashed a window near the lever which appears to have allowed them to gain access. This is the evidence of damage caused to gain entry to Mr and Mrs S's home.

So – based on the policy wording provided by AXA, and the circumstances of the incident, I think AXA's decision to decline the claim was reached reasonably and in line with the endorsement that applied.

AXA didn't inform Mr and Mrs S of its decision until March 2024, which was over four months after Mr S reported the theft. I think this was unreasonable of AXA. There's no dispute that AXA caused avoidable delay and – had it properly dealt with the claim when Mr S first contacted it - Mr and Mrs S's expectations would have been managed much sooner. I can see that Mr S had to chase AXA for an update on his claim, at an already worrying and stressful time.

For the distress and inconvenience caused, I think the compensation AXA paid is fair and in line with awards we give in similar circumstances.

I understand Mr S will be very disappointed with my decision. But I think AXA – as the insurer of the policy – has done enough to resolve the complaint. So I'm not asking it to do any more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

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 5 December 2024.

Geraldine Newbold
Ombudsman