

## The complaint

Miss A complains that AXA Insurance UK Plc (“AXA”) unfairly declined a claim for fire damage to her contents.

## What happened

Miss A holds a landlord’s insurance policy with AXA. In June 2023, there was a fire in the garage at the property. The garage structure itself and the items stored inside it were all damaged by the fire.

AXA accepted the buildings claim, and repaired the damage to the garage – but it declined the contents claim. It said that the policy didn’t cover the items that had been damaged. Miss A disagreed. She said the policy specifically said it covered contents owned by landlords and kept at the property. So she made a complaint.

In its response, AXA said contents cover was restricted to items owned by Miss A but being used by her tenants, which meant Miss A’s contents wouldn’t be covered. It said Miss A had been advised of this on several occasions and had challenged this, but hadn’t received a formal response until several months later. AXA apologised for this oversight and for the misleading information given by its loss adjuster, which had told Miss A that the contents in the garage would be covered under the policy.

In light of the mistakes AXA had made, it offered Miss A £450 compensation for the distress and inconvenience it had caused. Miss A didn’t accept this, and referred her complaint to this service.

Our Investigator considered the complaint, but didn’t think it should be upheld. She told Miss A that AXA had already offered her fair compensation for the loss of expectation and the inconvenience it caused. Because Miss A didn’t agree with our Investigator’s opinion, the complaint has now 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.

As this is an informal service, I’m not going to respond here to every point or piece of evidence Miss A and AXA have provided. Instead, I’ve focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

I’ve considered the terms of Miss A’s policy with AXA, which say the policy covers, under “Contents”:

*“domestic furniture and furnishings (including kitchen and bathroom units, fixtures and fittings in respect of Leasehold properties only), belonging to **You** or for which **You** are responsible in any Residence or in the common parts of **Your Property**, excluding;*

- *Valuables*
- *personal effects*
- *money*
- *credit cards*
- *pedal cycles*
- *swimming pool covers*
- *pets and livestock*
- *any part of the structure, fixtures and fittings (except those for which a **Tenant** is legally liable), ceilings or decorations of the **Residence***
- *property more specifically insured*
- *bonds, bills of exchange, promissory notes and securities for Money*
- *property used for Business or Trade purposes*
- *plants, trees or any growing matter*
- *contact or corneal lenses*
- *electric or motorised wheelchairs”*

The first thing I should point out is that the policy clearly defines what is covered, and that's "domestic furniture and furnishings" only. It's a landlord policy, so I don't find that unusual. Miss A has pointed to this service's guidance and has said that items must be specifically excluded when listing the definition of contents, otherwise they are to be included. So although anything other than furniture and furnishings isn't covered, I've looked at the policy exclusions as well.

As the terms specifically exclude "personal effects" I'm satisfied that items such as the motorcycle clothing aren't covered. And I don't agree that the definition of personal effects means clothing currently being worn, as Miss A has submitted. I consider the usual everyday meaning of "personal effects" to include items that are a person's property that are *usually* carried or worn. And I wouldn't expect a policy to list examples of personal effects as the term isn't unusual, confusing or onerous. Motorcycle clothing, in my view, does fall into the category of personal effects as it's personal property that is usually worn.

Miss A has said she was aware from the outset that the bicycle was also specifically excluded, so I'm satisfied AXA didn't refuse to cover it unfairly. And although Miss A has told us that she had declared the motorcycles as SORN, the policy and its schedule make clear what's covered, as I've said, and motor vehicles are not mentioned. The policy only provides cover for "domestic furniture and furnishings" under contents. Motor vehicle insurance is a separate product to building and contents cover, so I don't think AXA has refused to cover the motorcycles unfairly under this policy.

Miss A is also dissatisfied with AXA's refusal to recover the costs from the third-party, after the third-party denied liability. I don't consider AXA to have acted unreasonably in this respect, as it's for an insurer to decide whether or not to pursue a claim against a third-party, based on the prospects of success of that claim. AXA decided not to pursue the third-party in court to recover the costs, and I can appreciate that this was because the recovery prospects were poor.

I've considered the misleading information that Miss A was provided with by AXA's loss adjuster, in particular when it said to her in an email: "*Good news – Looks like it will cover your Contents in the garage*". I can appreciate how this would've raised Miss A's hopes only to then disappoint her later by clarifying that the contents wouldn't be covered. I agree that AXA provided a poor service in this respect, as it failed to manage Miss A's expectations.

In recognition of the fact that Miss A was provided with incorrect information, AXA offered her compensation – both for the misinformation and for the delay in responding to her. I've

thought about the level of compensation I would've awarded for these errors, had no offer been made in this case. And I think £450 is a fair and reasonable amount for the mistakes that AXA made, as this reflects the inconvenience, frustration and loss of expectation Miss A has experienced over a prolonged period of time. It is also in line with what I would've awarded.

It follows therefore, that as I consider AXA to have fairly compensated Miss A for the impact of its mistakes, I won't be requiring it to do anything further.

I've considered very carefully all the submissions Miss A has made from the outset, as well as in response to our Investigator's assessment. It's not uncommon in these cases for exclusions to also be considered, to ensure that a claim has not been declined unfairly, even if the items being claimed for aren't actually covered by the policy in the first place. Exclusions are considered for completeness, but in this case I'm satisfied that the policy only provides cover for domestic furniture and furnishings, as described in the policy terms. So, for the reasons I've explained above, Miss A's submissions haven't changed my mind.

I'm sorry to disappoint Miss A, but I don't therefore consider AXA to have acted unfairly or unreasonably to the extent that it would have to do anything differently in this case.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 15 February 2025.

Ifrah Malik  
**Ombudsman**