

The complaint

Miss H complains about delays by AXA Insurance UK Plc when dealing with a claim on her home buildings and contents policy.

What happened

In December 2022 a burst pipe caused severe water damage to Miss H's property and contents. Due to the extent of the damage, the property couldn't be lived in. It needed extensive repairs and all the contents, including furniture and clothing, were damaged beyond repair.

The repairs could not be started until the property had been dried out. There was some delay dealing with this. Miss H had serious health issues and instructed a loss assessor to act on her behalf. The loss assessor arranged for an inspection of the property and said the house needed to be completely stripped-out and reinstated.

The loss assessor instructed contractors to remove the contents & furniture, which they itemised. There was ongoing correspondence with AXA about the claim, including arrangements for drying out and stripping the property, and dealing with the contents claim.

Miss H also had the support of her insurance broker, who had arranged the insurance for her. They made a number of complaints to AXA about the way the claim was being dealt with and AXA sent responses to Miss H in respect of each complaint. These were sent in April, May, September and November 2023 respectively. AXA acknowledged it had been responsible for some delay and paid some compensation to Miss H.

In May 2024, with the claim still unresolved, Miss H referred a complaint to this Service.

Our investigator explained to Miss H that we couldn't look at all of her complains as they had been referred to this Service out of time. She gave her view on the complaint as follows:

- The complaint was referred to us on 29 May 2024 – so events more than six months before then (November 2023) were out of time, but AXA had agreed we could consider events from 5 September 2023 to 29 May 2024 and that's what she had looked into.
- Some delays were due to AXA but the majority of the delay was down to lack of communication by Miss H's claims assessor. The reinstatement and repair works were being managed by her claims assessor. AXA authorised the schedules presented to it in a reasonable time frame and wasn't responsible for the delays in progressing the works once authorised.
- It wasn't clear who was responsible for preparing the contents list

The investigator recommended that, as AXA was responsible for some of the delay, it should pay compensation of £300 for the distress caused by this.

AXA didn't accept the recommendation and provided further comments, including

- There was regular contact to validate and agree costs, and to ask for updates on progress. The strip out and drying was arranged by Miss H's loss assessor, so any delay in relation to this was the loss assessor's responsibility.
- The disposal, listing and storage of contents was undertaken by Miss H's loss assessor. Miss H initially refused to provide details so it agreed if a list were provided, it could try and price the items. It was then told not to do this as Miss H's partner would do it, only to then receive a complaint that the customer had to visit the property to do this.
- AXA's loss adjuster did price up the contents based on the information available, and this came to an amount of £44,000, but Miss H wanted the full £50,000 sum insured. It asked her to present the claim with a priced contents list so it could review further.
- The delays were due to the actions of Miss H's loss assessor

The investigator considered AXA's comments but didn't change her recommendation. She accepted that many of the issues lay with Miss H's loss assessor, but as the insurer is responsible for the claim, said she would expect the drying out to have been completed at the very least.

AXA says the drying out was to be undertaken by contractors appointed by Miss H's claim assessor. AXA doesn't accept it was responsible for any of the delay during the relevant period and doesn't agree any further compensation should be paid.

Miss H questioned why we were not able to look at the whole history of the claim. Before proceeding with my decision, I explained to her that we can only consider complaints within the rules that govern our jurisdiction and the earlier complaints were out of time. So my decision would only cover the events between September 2023 and May 2024, which had been addressed by our investigator.

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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and settle claims promptly once settlement terms are agreed.

AXA accepted the claim was covered, so that's not in dispute. The complaint is about the time it has taken to deal with the claim, and whether AXA is responsible for the delays that have occurred in relation to the strip out and drying of the property, and the contents claim.

The damage to Miss H's house was severe, leaving it uninhabitable, and all of the contents were damaged beyond repair. Miss H has had serious health problems, which left her in a vulnerable position. She's been living in another property that she owns and usually rents to tenants. AXA has been paying for the loss of rent.

I appreciate it has taken a very long time to deal with the claim and this has been very upsetting for Miss H, but I'm limited in what I can consider. I'm only considering delays that AXA is responsible for during the period between September 2023 and May 2024.

Miss H appointed a loss assessor to deal with the claim for her. The drying out and reinstatement have been managed by them. AXA didn't arrange for the contractors or supervise the work. What it has done is agree to cover relevant costs. From the evidence I've seen, AXA authorised the schedules presented to it in a reasonable time.

The main cause of delays in the period I'm considering was not down to failings by AXA. From reviewing the notes, the information AXA gave to Miss H was accurate. The involvement of different organisations made things more complicated and, as I've said, AXA wasn't responsible for the work being arranged. But there were some times where it could have done more to move the claim along and at times she wasn't kept up to date

With regard to the contents, AXA's loss adjuster asked Miss H's claims assessor to provide an itemised list. In the first instance, it's for the insured to prove their claim. So they would normally provide a list of contents they are claiming for.

In November 2023, Miss H thought her loss assessor was waiting to hear from AXA. In fact, the contents had only recently removed from the house and AXA was waiting for a list. Due to the lack of progress, AXA agreed its loss adjuster would prepare a list and said if Miss H disagreed with the list, she (or her loss assessor) would need to provide their own list. In the meantime, AXA agreed to make an interim payment of £15,000.

AXA says the loss adjuster did price up the contents based on the information available, and this came to an amount of £44,000, but Miss H wants a payment of the full £50,000 limit insured. It has asked her to present the claim with a priced contents list so it can review further. AXA has done what it said it would do, which is reasonable; if Miss H says she's entitled to the full limit of cover, it's for her to show this.

I agree that while AXA is not responsible for much of the delay, it could have acted quicker at times to keep Miss H up to date. The circumstances surrounding the claim have been very distressing for Miss H, who's had to deal with this at a time when she was also facing serious health issues. Any delay or miscommunication would make her situation even more difficult. Taking all of this into account, I think it's fair that AXA makes a further compensation payment to acknowledge this.

My final decision

I uphold the complaint and direct AXA Insurance UK Plc to pay compensation of £300 for the distress and inconvenience caused to Miss H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 January 2025.

Peter Whiteley
Ombudsman