

The complaint

Ms G has complained about the way AXA Insurance UK Plc handled a claim under her home insurance policy.

What happened

In September 2022 Ms G bought a house with a view to moving to a different part of the country and a new job. Before she could do that, in December 2022 a burst pipe caused extensive damage to the property.

AXA appointed a loss adjuster to manage the claim. In mid-March 2023 its contractor was ready to strip out the property to enable it to be dried. That work had to be paused while asbestos was removed. At the beginning of May strip out works started.

A contractor was appointed in mid-July. Work began in September 2023 and was expected to have been finished by January 2024.

In November Ms G complained about delays and the lack of communication. AXA said that was due to the loss adjuster having left. It appointed a new loss adjuster and paid Ms G compensation of £500.

In January 2024 Ms G complained again about delays and poor communication. AXA awarded her a further £250 compensation.

Ms G was also unhappy with the quality of workmanship in the kitchen. In May 2024 AXA offered another £150 compensation for that. It agreed that the quality of the work was disappointing and said that would be addressed.

Ms G said as a result of this she'd had to give up a new job near the house. She stayed in her original house. She said she'd intended to let out the original property she owned and calculated that she'd lost rental income of £33,000 while the repairs were ongoing.

After Ms G referred her complaint to this service, AXA awarded her a further £150 compensation. It has also agreed to consider Ms G's claim for loss of rent.

Our Investigator recommended that AXA should pay Ms G an additional £500 compensation. AXA agreed to that recommendation. As Ms G didn't agree with the level of compensation, the matter has been passed to me.

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.

In this decision I'm only looking at how AXA has treated Ms G from the date an earlier complaint was resolved in November 2023 up to July 2024 when the complaint was referred to this service.

Both parties are well aware of the history of this claim. In making its offers of compensation AXA has effectively accepted that it should have handled this claim better. I'll look at whether AXA treated Ms G fairly in its offer of compensation. I'll take into account the fact that a claim like this would have always caused Ms G a degree of inconvenience. I'll look at the extent to which AXA made things worse than they might have been. It's worth pointing out that awards of compensation are not intended to fine or punish a business. – that's the job of the regulator.

It seems to me that there are three main issues in this case – poor communication, delays and poor workmanship by AXA's contractor. I'll look at the main points of each of these in turn and the effect they had on Ms G.

poor communication

Unfortunately this was something Ms G had to complain about during the whole of the claim and it must have been disappointing for her that this didn't improve in the period I'm considering. She was living some distance from the property and so would have benefitted from more frequent updates. It was frustrating that sometimes she had to wait over two weeks for a reply to her emails. During this period Ms G had to spend a lot of time chasing AXA's contractor and the loss adjuster on a regular basis, often without any meaningful response. This undoubtedly caused her a huge amount of unnecessary stress.

delays

The completion date for the repairs slipped back from an original date in January 2024. Despite assurances that the works would be finished in March, the majority of the work was still outstanding when Ms G visited at Easter. In addition other work had been carried out in a way that wasn't to Ms G's satisfaction due to a lack of consultation with her. This must have been very disappointing for her.

poor workmanship

AXA has agreed to ensure that poor workmanship on the part of its contractor is made good. I'll take into account the extra stress the poor workmanship will have caused Ms G and the fact that it added to the delays on the claim when looking at compensation.

compensation

Ms G has explained that as a result of the stress caused by the mismanagement of her claim she has been prescribed anti-depressants and sleeping tablets. She said she's had suicidal thoughts and counselling to help manage the situation. When awarding compensation, I look at the overall impact of failings on the part of a business. Calculating compensation in such situations isn't an exact science. Taking into account the problems that occurred in this case, the impact on Ms G and the levels of compensation awarded by this service in complaints with similar circumstances, I think an additional £500 compensation is reasonable. I appreciate Ms G will be likely disappointed by this but I think it represents a fair resolution of her complaint.

loss of rent

I'm pleased to see that AXA is considering Ms G's claim for loss of rent. If she is unhappy with the outcome of this, she may wish to make a separate complaint but I hope that won't be necessary.

My final decision

For the reasons set out above, I uphold this complaint and require AXA Insurance UK Plc to pay Ms G a further £500 compensation for the trouble and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 27 January 2025.

Elizabeth Grant
Ombudsman