

The complaint

Ms B complains AXA Insurance UK Plc didn't handle a claim against her home insurance policy fairly.

What happened

Ms B had an escape of water in June 2023. She made a claim against her home insurance policy. AXA ultimately declined the claim as it said the escape of water was the result of gradual damage rather than an insured peril, but it did offer Ms B £100 compensation in recognition of customer service issues. Ms B asked our Service for an independent review.

The Investigator thought it had been fair and reasonable for AXA to decline the claim, but that AXA should pay Ms B a further £250 compensation in recognition of the impact its poor claim handling had on Ms B. AXA accepted the Investigator's recommendation. Ms B responded to say she wanted to provide some further evidence.

Ms B went on to provide the further evidence, which the Investigator shared with AXA. AXA responded to say it would consider the claim further, taking into account Ms B's new evidence. The Investigator thought this was a fair and reasonable way forward. Ms B agreed and so our file on this complaint was closed in early September 2024.

In early October 2024 Ms B said she hadn't heard from AXA. The Investigator made AXA aware of the position but didn't receive any material response(s). Even now, towards the end of November 2024, Ms B hasn't heard from AXA (although I understand the compensation has been paid). As AXA isn't doing what it said it would, I must make a formal determination.

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 brief, I agree with the Investigator's outcome and reasons. I find it was fair and reasonable for AXA to decline the claim based on the evidence available to it, because said evidence suggested the escape of water was the result of gradual damage and/or poor workmanship, rather than an insured peril. AXA did however, handle the claim poorly and this had a material impact on Ms B. Compensation is therefore appropriate and I find £350 compensation – in total – fairly reflects the distress and inconvenience Ms B was caused.

When Ms B provided further evidence AXA offered to consider the claim further. I find that was a fair and reasonable offer in the circumstances, and I note while not achieving what she wanted, Ms B agreed to it. An agreement had therefore been reached between the parties. Unfortunately, AXA didn't then do what it said it would, despite repeated contact from our Service. This has caused Ms B additional, avoidable distress and inconvenience. It follows AXA should now do what it agreed to do, and pay Ms B further compensation.

My final decision

I uphold this complaint and require AXA Insurance UK Plc to:

- Reconsider the claim, as it offered to, and start this within four weeks of Ms B accepting this final decision; and
- Pay Ms B a further £100 compensation (bringing total compensation to £450) in recognition of the additional, avoidable distress and inconvenience she's been caused.

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

James Langford
Ombudsman