

## **The complaint**

Mr M complains about AXA Insurance UK Plc's handling of a claim he made under his home insurance policy.

AXA is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As AXA has accepted it is accountable for the actions of the agents, in my decision, any reference to AXA includes the actions of the agents.

## **What happened**

In late 2022, Mr M made a claim under his home insurance policy with AXA after a pipe in his loft burst, causing significant damage to his property.

Mr M made a number of complaints about AXA's handling of the claim. The issues he raised prior to AXA's final response letter of 8 February 2023 have already been considered by our service.

In its responses to Mr M's subsequent complaints, AXA accepted responsibility for some unnecessary delays and poor service. It sent him five final response letters from June 2023 to August 2024, and says it's paid him a total of £1,550 in relation to these complaints.

Mr M remained unhappy and asked our service to consider his concerns.

Our investigator didn't think AXA had done enough to put things right. She initially recommended AXA increase its compensation award to £5,000. She also recommended that AXA produce a schedule of works before the reinstatement work started and consider if the disturbance allowance it was paying was sufficient to cover Mr M's additional costs.

AXA said it would be happy to consider any evidence Mr M had of costs beyond the disturbance allowance and it would ensure a schedule of works was in place. It didn't agree to pay the compensation our investigator recommended, but it said it was willing to offer Mr M an additional £1,500 to bring the total amount to £3,050.

Our investigator issued another outcome, explaining why she felt AXA's offer was fair. But Mr M disagreed. So, his complaint 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr M has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr M I've read and considered everything he has told us, but if I haven't mentioned a particular point or piece of evidence, it

isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise. In this decision, I will be considering matters Mr M has complained of from 8 February 2023 up until AXA's final response letter of 16 August 2024.

#### Underground pipe leak and escape of oil

Mr M says AXA should have considered a leak from an underground pipe at the front of his property and an oil leak from his boiler as part of the claim he made in December 2022.

I can see that Mr M contacted AXA in September 2023 after the waterboard had made him aware he had a high water bill. This was found to be due to a leak from an underground pipe at the front of his property. In November 2023, Mr M contacted AXA about an escape of oil from his boiler.

I appreciate Mr M believes the damage to the underground and oil pipes was a result of the same weather event that caused the pipe in his loft to burst. But I haven't seen sufficient evidence to support this. So, I think it was reasonable for AXA to conclude these were separate incidents.

I understand that the damage from the oil leak needed to be dealt with before AXA's contractors could continue with reinstatement work from the burst pipe in the loft. I appreciate Mr M's frustration that the involvement of a second insurer seems to have delayed his property being put back into a habitable position. But Mr M's policy with AXA ended around four months before the escape of oil was discovered and the other insurer has accepted Mr M's claim. So, I'm not persuaded that AXA was responsible for dealing with the escape of oil claim.

#### Asbestos

Mr M says AXA is responsible for asbestos fibres being blown around his house while drying works were being carried out.

He says when the drying company turned up at the house with fans and dehumidifiers, he queried if the asbestos testing had come back negative, but the contractors didn't seem to be aware of the test. When he contacted AXA later in the week, he was told the asbestos test was positive.

AXA's notes confirm that drying equipment was installed before asbestos containing material was removed from the property. But AXA says the issue was rectified quite quickly and the property was decontaminated.

Mr M has also raised concerns that a carpet which was contaminated with asbestos was left at the property. This was discovered after the other insurer's contractor came to deal with the escape of oil claim and prevented the commencement of these works.

AXA has acknowledged that its failure to dispose of the carpet delayed the reinstatement works. It says the other insurer confirmed the air sample taken by them was negative for asbestos. In its final response letter of 1 July 2024, AXA said it was arranging for the carpet to be removed, each room to be decontaminated and airborne tests to be carried out. It said

it had asked for a certificate to confirm the results that all rooms were negative once this had been done.

AXA says it believes the health and safety risk from asbestos exposure is minimal as Mr M was not residing at the property. But it's willing to consider any evidence to the contrary, such as from the Health and Safety professional Mr M has engaged with.

I haven't got sufficient evidence to conclude that Mr M's health was affected by the issues with asbestos. However, I do appreciate this would be worrying for him and I've considered this in my award for distress and inconvenience.

#### Alternative Accommodation and CCJs

The policy's terms and conditions say:

*"We will pay you up to the limit on your schedule for any one claim for the reasonable cost of alternative accommodation for you, your family and your domestic animals when your home cannot be lived in due to loss or damage by buildings causes 1 – 12 earlier in this section..."*

AXA says Mr M initially declined its offer of alternative accommodation, so a disturbance allowance was agreed. It says there were some issues with sourcing accommodation when this was requested due to concerns of the law regarding properties where customers have County Court Judgments (CCJs). It says the position was since clarified, and some options were given to Mr M which were not accepted.

Mr M says AXA's accommodation agents emailed him with details of unsuitable accommodation a long distance away in April 2023. He says he immediately responded with a request that a house four miles from his house be considered. But it took AXA six days to reply, by which time the house was gone. He says the next time AXA emailed with a suggestion for a property was in July 2023.

AXA has noted it would be arranging to appoint a supplier to search for alternative accommodation in March 2023. I haven't been provided with the full details of the properties offered to Mr M or what might have been discussed about properties Mr M had sourced himself. So, I've no reason to doubt what Mr M has said about this.

In around April 2024, it came to light that Mr M previously had two CCJs registered against him when AXA's accommodation agent was doing a credit check. From what I can see, AXA was concerned that Mr M hadn't declared these when he took out the policy, so it referred the matter to its underwriters. The underwriters said Mr M wouldn't have been asked about the CCJs when he took the policy out and confirmed they were happy for the claim to proceed as normal.

Mr M says he was left in a state of extreme anxiety after AXA called him to discuss the CCJs with him. It looks like the issue was resolved a few days later. But I appreciate Mr M was subjected to some unnecessary distress here and I also understand this resulted in a small delay in the progression of the claim. So, I've taken this into account in the overall amount I think AXA should pay him for distress and inconvenience.

I can see that Mr M contacted AXA a few weeks later because AXA's accommodation agent had told him it couldn't proceed with booking accommodation for him due to some legislation which related to the CCJs. According to AXA's notes, the accommodation agent gave Mr M inaccurate information about legislation. But it seems there was an issue with landlords being reluctant to accept Mr M as a tenant because of the CCJs despite AXA offering to pay six months' rent up front.

Aside from the issue with the CCJ's, it seems AXA had some difficulty finding accommodation for Mr M which would also be suitable for his elderly father. AXA said it would be willing to consider any alternative accommodation Mr M was able to source himself in its final response letter of May 2024.

Mr M says AXA wasn't proactive in finding him alternative accommodation and he lost out on several properties because of delays in its agent securing it. Based on the information available to me, I think AXA should have done more to help secure alternative accommodation for Mr M. I understand Mr M has been sleeping on a camping bed at his father's house for the duration of the claim, which was no doubt uncomfortable and frustrating. So, I've taken this into account in my award for distress and inconvenience.

I'm aware that AXA has been paying a disturbance allowance to Mr M and has also paid towards additional council tax he's been charged while his property is empty. I understand Mr M requested that AXA pay his full council tax while he's been unable to live at the property. But I think it was reasonable for it to only pay the additional amount he was charged due to the property being empty. I'm also not persuaded AXA needed to contribute towards Mr M's mortgage payments as this isn't an additional cost he's incurred from being unable to live in his property.

Mr M has mentioned incurring costs of around £40,000 to not live at his home. It's not clear what these costs might be. I think it would be reasonable for AXA to cover Mr M's additional costs from being unable to live in his property within the disturbance allowance. AXA has agreed to consider these costs upon the receipt of evidence from Mr M. I think this is reasonable.

### Delays

AXA has acknowledged it is responsible for avoidable delays to the progression of Mr M's claim from February 2023 to August 2024. There was a delay in the removal of asbestos and drying work being completed. AXA's failure to remove the asbestos contaminated carpet prevented the other insurer from carrying out the reinstatement work from the escape of oil claim. There was a further delay in the decontamination of Mr M's home after it was agreed to at the end of June 2024. I understand this work had only just begun when AXA issued its final response letter of 16 August 2024.

However, some of the delay in progression seems to have been beyond AXA's control. I can see that AXA informed Mr M that he would need to raise a claim with his new insurer for the escape of oil incident in December 2023. But the other insurer didn't accept Mr M's claim until around March 2024.

While I don't think AXA is responsible for all of the delay in the timeframe I'm considering here, I think it is responsible for significant delays in moving Mr M's claim forward. So, I've considered this in my award for distress and inconvenience.

### Distress and inconvenience

I understand Mr M's claim has been ongoing for more than two years and he's experienced a lot of distress and inconvenience as a result. However, as explained, in this decision I can only consider what happened for the 18-month period from February 2023 to August 2024. I've also kept in mind that some of the delay during this period was outside of AXA's control.

Overall, I think AXA's handling of Mr M's claim has been extremely poor and it's responsible for a significant delay in its progression. I'm persuaded that Mr M has experienced a great

deal of frustration and inconvenience because of this. The issues with the asbestos and alternative accommodation have added to the worry and distress he's experienced.

I understand that Mr M feels there should be consequences for AXA for its poor service. But the Financial Ombudsman Service doesn't have the power to fine or punish a business. I can only award compensation for the impact of AXA's poor service on Mr M.

AXA has agreed to pay Mr M a further £1,500 in addition to the compensation its already paid him for this period, bringing the total amount up to over £3,000. This is in the range of what we'd expect a business to pay where its mistakes have caused sustained distress, potentially affecting someone's health, or severe disruption to daily life typically lasting more than a year. I think the compensation AXA has agreed to reasonably recognises the impact of AXA's poor service on Mr M. So, while I appreciate my answer will be disappointing for Mr M, I'm not persuaded to tell AXA to increase this.

### **Putting things right**

AXA should:

- Consider its disturbance allowance payments to ensure they are sufficient to cover Mr M's additional costs of not being able to live in his home, upon the receipt of evidence from Mr M.
- Produce a schedule of works for the reinstatement work it is responsible for if it has not already done so.
- Pay Mr M £1,500 for distress and inconvenience (in addition to the amounts it awarded him in its final response letters).

### **My final decision**

For the reasons I've explained, I uphold Mr M's complaint and direct AXA Insurance UK Plc to do as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 March 2025.

Anne Muscroft  
**Ombudsman**