

The complaint

Mr and Mrs S complain about AXA Insurance UK Plc's settlement offer following a claim for storm damage to their home.

Both Mr and Mrs S are named policyholders on their AXA policy, so any claim or complaint is brought by them both. But for simplicity, and because most of the information about the complaint has been provided by Mr S, I'll refer mainly to Mr S from here onward.

AXA used a third party company to handle Mr S's claim and most of his correspondence has been with this company. For the avoidance of doubt, any reference to AXA includes its agents, including the claims handling company.

What happened

Mr and Mrs S had home insurance with AXA. In September 2023, their roof was damaged during storm Agnes and Mr S made a claim under the policy. A brief timeline of the claim is as follows:

- 29 September 2023. Mr S's roof damaged in storm Agnes.
- October. AXA appointed its surveyor to inspect the damage. The surveyor's report concluded there was storm damage to roof tiles and fascia.
- October. AXA asked Mr S to get quotes from local contractors.
- November. Mr S got two quotes and sent these to AXA: one was £33,458 plus VAT¹; the other was £43,500.
- November. AXA asked its own contractors to assess the damage and provide quotes for repairs.
 - One said "*the only way*" he could guarantee repairs would be to replace the entire roof. He estimated this at £70,000.
 - Another believed repairs could be done but these would be extensive and involve significant removal and relaying of non-damaged tiles.
- December. AXA asked its second contractor to provide a quote. Despite numerous chasing emails, it failed to provide one.
- January 2024. AXA asked its surveyor to make a second report, taking into account its contractors' findings. The surveyor concluded broadly the same as the first.
- February. AXA offered Mr S £2,448.86 less his £250 policy excess in cash settlement. Mr S rejected the offer.
- March. AXA appointed a loss adjuster (LA) to assess the claim.
- May. The LA concluded that repairs "*can be completed*" and recommended AXA

¹ In April 2024, the contractor told Mr S it would have to increase its quote by 10%.

increase its settlement offer.

Based on the LA's report, AXA offered Mr S £3,905.71, representing the LA's estimated cost of repairs (£4,155.71) less the policy excess. It told him "*a full roof replacement is required due to the general age and wear of the roof*" but this wasn't covered by his policy. It later apologised for "*a lack of proactivity and delays suffered throughout [his] claim*" and offered him £200 for this.

Mr S didn't accept this and brought his complaint to this service. He said, in summary:

- The cash settlement is inadequate and wouldn't even cover the cost of scaffolding (estimated at around £4,500).
- His roof was in good condition before the storm. It had undergone a "*full overhaul*" when velux windows were installed less than ten years ago.
- AXA has taken too long to deal with his claim.
- It refused to renew his policy in May 2024 because of the open claim.
- He wants AXA to fix his roof or offer a suitable cash settlement that would enable him to arrange this.

Our investigator thought AXA's settlement offer was unfair and recommended that the complaint should be upheld. She found that AXA couldn't make effective and lasting repairs to the damaged areas of the roof without carrying out extensive uninsured repairs. She thought AXA should either arrange contractors to carry out these repairs or – if this wasn't possible – increase its settlement offer so that Mr S could instruct his own contractors to replace the roof. She also thought AXA's £200 offer for the delays was inadequate and thought it should increase this to £350.

AXA didn't accept this, so the complaint was passed to me to make a final decision.

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.

First, Mr S's complaint about the policy renewal in May 2024 has been considered under a separate complaint to this service. I won't be covering that issue in my decision.

Second, AXA agreed the damage to Mr R's roof was caused by a storm and accepted the claim. So I don't need to check weather reports or assess the cause of damage. The only dispute is about how AXA proposed to settle the claim.

AXA says, in summary:

- Its contractors couldn't carry out repairs because "*the only way they would be able to guarantee the work is by replacing the entire roof. However, the full roof being replaced isn't covered therefore the contractors cannot guarantee this work.*"
- It wouldn't be reasonable to ask it to pay for a full roof replacement. This would be betterment because it goes much further than repairing the storm-damaged tiles.
- Its revised settlement offer was based on its LA's assessment of damage. This included £2,400 for scaffolding.
- It believes its offer is fair and reasonable and Mr S could use this to arrange repairs.

Under the policy terms, AXA must repair, replace, or cash settle Mr S's claim. If it agreed to

repair the damaged tiles, there wouldn't be a problem. However, its contractors have said a limited repair to the roof isn't possible. An internal email on 12 February 2024 said:

"Unfortunately, it's unlikely any contractor would take on the part repair of the external works due to being unable to provide a guarantee." Instead, AXA's contractors said the whole roof had to be replaced.

For the avoidance of doubt, this isn't due to a lack of maintenance, pre-storm damage, or age. I don't accept AXA's position – based on its LA's May 2024 report – that the roof needed to be replaced *"due to the general age and wear of the roof"*. As our investigator pointed out, there's no evidence for this. The LA's report was *"ground based"* – meaning there was no close-up inspection of the roof – and said the roof was coming to the end of its serviceable life *"due to [its] assumed age"*. I don't find any reasonable grounds for that assumption, particularly given Mr S's comments about work done to it in the last ten years.

In fact, I'm satisfied that the evidence shows the roof was previously in good condition. The two surveyor reports (October 2023, January 2024) didn't mention any pre-existing or age-related damage, the report photos don't show non-storm related wear, and at least two internal notes on AXA's file describe the roof as *"well cared for"* (12 March 2024) and *"in good condition"* (8 April 2024).

AXA's internal notes show the main problem preventing effective repairs was the roof's design and construction. For example:

- *"the roof is a little weird"* (27 November 2023)
- *"Due to the steep pitch of the roof, many tiles will need to be taken off and re-layed. The entire valleys would need to be stripped off and raked back, then re-layed to be able to repair this job correctly."* (28 November 2023)
- *"...the tiles are not a common kind and need specialist care. A big strip back is required to pin the tiles without breaking those around it."* (12 March 2024)
- *"storm repairs cannot be completed on this roof, the nature of the materials will not accommodate patch repairs..."* (8 April 2024)

AXA has made it clear that it won't carry out repairs because its contractors won't guarantee the work. So while the October 2023, January 2024, and May 2024 reports propose repairs, those tasked with doing them say they can't be done without carrying out extensive work on undamaged parts of the roof. So it seems to me that localised repairs to the areas of the roof damaged in the storm can't be done.

To put it bluntly, that's AXA's problem. It agreed to insure Mr S's home and, as our investigator explained, its obligation is to carry out an effective and lasting repair. To be effective, the repair must fully put right the damage; to be lasting, it must do so for an appropriate amount of time. Sometimes we think an insurer might have to carry out work to non-claim related areas to achieve that objective (uninsured works). I think this is a good example of that. AXA must carry out significant work to areas of the roof not damaged in the storm to enable effective and lasting repairs to the areas of the roof that were.

I don't think AXA's settlement offer does what it's intended to do – enable Mr S to fix his roof. And I don't think it's fair for AXA to ask Mr S to arrange repairs that it can't get its own contractors to do. I understand AXA's arguments that replacing the whole roof is betterment and that it's excessive to ask it to pay tens of thousands of pounds to replace the roof. But I don't think a £4,000 contribution towards works estimated at well over £40,000 is fair to Mr S. Put another way, I don't think Mr S shouldn't be left with a £40,000 bill because AXA can't fulfil its obligations under the policy terms.

For the reasons above, I don't think AXA's settlement offer is fair. I also think it's very difficult to propose a suitable compromise in this case, so I think our investigator's recommendation for how AXA must put things right is fair. It should either find a contractor who can carry out an effective and lasting repair to the roof including any uninsured works. If this isn't possible, it should pay Mr S a revised cash settlement so that he can arrange this himself. This revised settlement figure should be based on the November 2023 quotes from Mr S's contractors, updated to reflect current costs.

Finally, I find that AXA's delays in dealing with the claim were unreasonable. Mr S made the claim in September 2023, AXA accepted it in October, and Mr S provided quotes in November. I don't think AXA progressed the claim as quickly as it should have from that point. It didn't instruct its LA until March 2024 and didn't give Mr S a final settlement offer until July 2024. Mr S was constantly calling and emailing AXA for updates during this time, which was clearly incredibly frustrating and distressing for him and his family.

I've thought about the level of award made by this service in similar circumstances. Having done so, I think AXA should pay Mr and Mrs S £500.

My final decision

My final decision is that I uphold this complaint and order AXA Insurance UK Plc to:

- Appoint contractors to carry out an effective and lasting repair to the roof; or
- Provide a cash settlement for an amount that allows Mr and Mrs S to appoint their own contractors to complete an effective and lasting repair to the roof.
- Pay Mr and Mrs S £500 to reflect the distress and inconvenience its delays progressing the claim caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 21 April 2025.

Simon Begley
Ombudsman