

The complaint

Mr F and Miss M complain about the service provided by AXA Insurance UK Plc ('AXA') when responding to their home insurance claim.

Much of Mr F and Miss M's dissatisfaction relates to the actions of agents acting on behalf of AXA. As AXA accept they're responsible for the actions of their agents, in my decision any reference to AXA should also be interpreted as covering the actions of their agents.

What happened

The background to this complaint is well known to Mr F, Miss M and AXA. Rather than repeat in great detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Following an escape of water at their property, Mr F and Miss M made a claim under their home insurance policy. AXA accepted the claim. Mr F and Miss M later raised a complaint as they were unhappy with the time taken and service provided. AXA partially upheld the complaint and offered £150 compensation. As Mr F and Miss M remained unhappy, they referred their complaint to our Service for an independent review.

Our Investigator considered the complaint and recommended that it be partially upheld and AXA pay Mr F and Miss M an increased compensation amount of £800, as well as reimbursing their electricity costs between 24 January 2024 and 12 June 2024. AXA recently accepted the recommendations, but as Mr F and Miss M haven't responded to multiple follow-ups from our Investigator, the complaint has been referred to me for 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service. Mr F and Miss M's dissatisfaction spans many months and, without detracting from their experience, I won't comment on every point raised by them or every interaction with AXA.

Ours is also an evidence-based organisation, and when reaching my findings I've had to consider the available evidence - after both parties have been given a fair opportunity to make their representations. As Mr F and Miss M haven't provided any reasons as to why the £800 compensation and reimbursement of electricity costs was not a fair way to resolve this part of their dispute with AXA, I can only consider the available evidence.

The scope of my decision

This decision will only consider AXA's response to the claim from the end of January 2024 until 12 June 2024 when AXA provided a final response letter in response to the complaint. It

appeared at the time of our Investigator's assessment (November 2024), that the claim hadn't yet been resolved. However, due to Mr F and Miss M's lack of engagement with our Service in recent months, I can't safely say whether the claim is or isn't resolved yet. Should Mr F and Miss M have any dissatisfaction with events after 12 June 2024 – including claim settlement carried out, they'd first need to raise that as a complaint with AXA before our Service could investigate them.

AXA initially offered £150 in recognition of their service failings and then accepted the increased recommendations our Investigator made. Therefore, my decision will consider whether the total of £800 compensation goes far enough to recognise the impact of the service failings by AXA during the relevant period (the end of January 2024 until 12 June 2024).

Service provided

Unfortunately, any insurance claim of this nature will almost always bring some level of inconvenience with it. As a diligent insurer, AXA are entitled to make appropriate enquiries whilst validating any claim and it generally follows that these enquiries can take time.

However, I find that AXA's communication during the period in question caused additional and avoidable distress and inconvenience for Mr F and Miss M. Based on the evidence, particularly during the early stages of the claim, Mr F and Miss M were having to be the proactive party to move the claim forward.

AXA made attempts to source alternative accommodation, but struggled to come to a mutually acceptable agreement with Mr F and Miss M. I'm satisfied the accommodation proposed by AXA was a reasonable offer and comparable to their existing property. I note that Mr F and Miss M later made their own accommodation arrangements, and they'd need to discuss this separately with AXA regarding any potential reimbursement.

Overall, having carefully considered the impact of AXA's actions on Mr F and Miss M, I find a total of £800 compensation to be fair, reasonable and proportionate. I've kept in mind our Service's published guidelines on distress and inconvenience <https://www.financial-ombudsman.org.uk/consumers/expect/reimbursement-for-distress-or-inconvenience> and overall I'm satisfied the impact on Mr F and Miss M is appropriately recognised by an award that falls within the relevant compensation bracket.

Electricity costs

Mr F and Miss M explained that they incurred much higher electricity costs during the drying out period. Our Investigator's recommendation was for AXA to reimburse Mr F and Miss M their increased electricity costs because of drying, plus 8% simple interest per annum. Generally, our Service would consider reimbursement of any additional/higher electricity costs because of drying as Mr F and Miss M will always have incurred some charges regardless of drying. However, as AXA have agreed to reimburse the overall electricity costs for this period, it's not something I'd interfere with and I consider it a fair resolution of this part of the complaint. As no response has been provided by Mr F and Miss M as to why this would be unfair – for completeness I've included the reimbursement of electricity costs in my direction below.

Putting things right

To resolve the dispute referred to our Service covering the period 24 January 2024 until 12 June 2024, AXA Insurance UK Plc need to:

- Pay Mr F and Miss M a total of £800 compensation in recognition of the impact of their actions when responding to the claim. Any related compensation already paid can be deducted from the amount of £800.
- Reimburse Mr F and Miss M their electricity costs for the period whilst drying out works were taking place. This is to be calculated from the date Mr F and Miss M paid their energy supplier, until the date AXA makes settlement to them.

My final decision

My final decision is that I partially uphold this complaint. Subject to Mr F and Miss M responding to accept my decision prior to the deadline below, I direct AXA Insurance UK Plc to follow my direction, as set out under the heading 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss M to accept or reject my decision before 13 March 2025.

Daniel O'Shea
Ombudsman