

The complaint

Mr M and Mrs M have complained that AXA Insurance UK Plc (AXA) haven't settled part of their claim under their home insurance policy.

What happened

Mr M and Mrs M made a claim for a water leak. A while later, Mr M and Mrs M referred the claim to the County Court and AXA settled the claim for the repair costs. Mr M and Mrs M later submitted a claim to AXA for the trace and access costs. Mr M and Mrs M then complained to AXA. When AXA replied, it said it had asked Mr M and Mrs M to provide evidence of their costs. It said it was reasonable for it to request this information to validate any additional costs for which it might be liable.

When Mr M and Mrs M complained to this Service, our Investigator upheld it. She said AXA hadn't provided evidence to explain its position on the trace and access. So, based on the limited evidence available, she said it was reasonable for AXA to pay the trace and access costs. However, Mr M and Mrs M were unable to provide a receipt for their costs, which they believed they had sent to AXA. She said AXA should pay the trace and access costs at the amount it would have cost it to do the work.

After some delay, AXA agreed to our Investigator's view on how to resolve the complaint. However, it took no further action. Mr M and Mrs M continued to chase AXA for payment, but AXA did nothing further. So, Mr M and Mrs M brought a new complaint to this Service, which was that AXA still hadn't settled the claim. Our Investigator upheld the complaint. She said AXA should settle the previous complaint in the way that had been agreed and pay £250 compensation for the distress and inconvenience caused.

AXA didn't reply. So, the complaint was referred to me.

I issued my provisional decision on 3 February 2025. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

Looking at this complaint, I'm satisfied Mr M and Mrs M's complaint is that they want AXA to settle their claim for trace and access, which it has failed to do despite agreeing to settle it.

When AXA responded to the complaint, it said it was reasonable for it to request evidence of the trace and access costs so it could assess them. I would normally agree with that approach. AXA has also previously agreed with our Investigator's view that it should settle the trace and access costs at the cost to itself. However, it has failed to do so.

So, to bring this complaint to a conclusion, I think it's fair for me to say what I consider to be a reasonable amount for AXA to pay to cover the trace and access costs. I have reached my view on this based on the limited information available to me.

I've looked at what the policy said it covered:

“Trace and access: The cost of tracing and accessing the cause of an escape of water or oil (up to £7,500 per claim) and repair costs for the cause of the leak (up to £250 per claim).”

Mr M and Mrs M have said they think the trace and access cost about £1,600. They are unable to provide receipts for this, which is because they think they sent them to AXA. They have also said they paid for the work in cash. AXA hasn't provided evidence to show whether it received the receipts.

I'm not a claims handler and I'm not an expert on trace and access costs. But, based on my understanding of trace and access, I think Mr M and Mrs M's costs are at the higher end of what I might expect to see. I also note they seem unable to show what these costs covered. So, it isn't possible to see whether all the costs only related to necessary work in order to carry out the trace and access. I've also taken into account that the policy covered the costs of repairing the leak itself. Based on what I've seen, I currently intend to say AXA should pay a total of £800 to cover the cost of the trace and access work. It should also pay interest on this amount from the date on which it issued its complaint response for the trace and access work, 27 September 2023, because Mr M and Mrs M lost use of the money.

I've also thought about compensation. I think Mr M and Mrs M have been caused distress and inconvenience because of how AXA has dealt with their claim for trace and access costs. I think it has handled this poorly and could have brought this part of the claim to a close much sooner. So, I currently intend to say it should pay £250 compensation to reflect the impact on Mr M and Mrs M.

I asked both parties to send me any more information or evidence they wanted me to look at by 17 February 2025.

Mr M and Mrs M replied and agreed with my decision. They said the work had cost them more, but they were happy to accept my decision. AXA didn't reply.

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 uphold this complaint and for the reasons given in my provisional decision. I have found no reason to change my view on what I consider to be a fair and reasonable outcome to this complaint.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require AXA Insurance UK Plc to:

- Pay £800 to settle the trace and access costs.
- Pay 8% simple interest on that amount from 23 September 2023 to the date on which it makes the payment.
- Pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 18 March 2025.

Louise O'Sullivan
Ombudsman