

The complaint

Miss O has complained that AXA Insurance UK Plc (AXA) unfairly terminated her home insurance cover.

What happened

Miss O owned two neighbouring semi-detached properties and lived in one of them. She decided to refurbish the property she lived in, so moved into the neighbouring property. Miss O contacted AXA to explain her change in residence and to see if she could get a better premium. AXA reviewed Miss O's circumstances and said it could no longer provide cover for the property because it wasn't Miss O's main residence.

When Miss O complained, AXA maintained its decision that it could no longer provide cover. It offered £50 compensation for some service issues. So, Miss O brought her complaint to this Service. Our Investigator didn't uphold the complaint. She said AXA didn't offer second home cover, which meant it could no longer offer cover when she explained her circumstances. She said it was for an insurer to decide what risks it was willing to cover. She also said the £50 compensation offered was fair.

Miss O asked for the complaint to be reviewed by an ombudsman. So, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

Miss O lived in a property I will call 'A'. My decision only relates to this property. Miss O moved to the neighbouring property, which I will call 'B'. AXA insured property A as Miss O's main residence. Miss O contacted AXA to explain she had moved from property A to property B and that the council now considered property B her main residence. AXA decided it could no longer insure property A because it was no longer Miss O's main residence. Miss O said this was unfair and that AXA could have been more flexible.

Insurers are entitled to decide what risks they are willing to offer cover for. Looking at the policy documents, these said:

"We reserve the right to cancel your policy when there is a valid reason to do so. Valid reasons are:

...

You make a change to your information which renders the risk no longer acceptable to us to insure."

I've seen AXA's underwriting criteria and this showed that it didn't insure second homes. When AXA asked Miss O which property was her main residence, she said she split her time and slept equally in both properties. She also said the local council now considered property B to be her main residence. Because the policy only covered main residences, AXA said it could no longer insure property A. It sent Miss O a letter that said it could no longer offer cover and refunded £281.66. I think that was reasonable in the circumstances. AXA had been advised of a change in circumstances and the property no longer met its underwriting criteria.

When AXA replied to the complaint, it accepted there had been issues with its customer service. This included that Miss O had to phone several times for updates and she didn't receive a promised call back. It apologised and offered £50 compensation. I think that was reasonable in the circumstances to acknowledge the issues identified.

So, having thought about this complaint, I don't uphold it or require AXA to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 3 April 2025.

Louise O'Sullivan
Ombudsman