

The complaint

Mr and Mrs B have complained about the way AXA has dealt with a claim for subsidence damage under their commercial landlord insurance policy.

Any reference to AXA includes their agents.

What happened

The background to this complaint is well known to both parties, so I'll not repeat it here. I am only considering what happened on Mr and Mrs B's claim and the impact of this on them up until 31 December 2023. They have made a new complaint about what has happened since this date, which will be considered separately.

Our investigator upheld Mr and Mrs B's complaint and said AXA should cover the cost of the structural engineer's report they obtained in March 2022 and pay a further £150 in compensation for distress and inconvenience.

AXA responded to the investigator's view by agreeing to pay for the report and pointing out it had already paid £900 in compensation for distress and inconvenience.

Mr and Mrs B responded to the investigator's view with a number of points, which I addressed in a provisional decision dated 8 April 2025. And I set out in this the following as what I considered to be the fair and reasonable outcome to their complaint:

For the reasons set out above, I've provisionally decided to uphold Mr and Mrs B's complaint about AXA Insurance UK Plc and award them a further £900 in compensation for distress and inconvenience.

I've also provisionally decided to make AXA reimburse what Mr and Mrs B paid for the structural engineer's report, plus interest at 8% per annum simple from the date they paid for this to the date of payment.

Plus, I have provisionally decided to make AXA reimburse Mr and Mrs B what they paid for support to the roof and removal of a door at the insured property provided they paid for this work themselves before 31 December 2023 and can provide an invoice or invoices in support. Interest will also need to be added to the amount payable as set out above.

I gave both the parties until 29 April 2025 to provide further comments and evidence in response to my provisional decision.

AXA accepted my provisional decision.

Mr and Mrs B provided the following further comments:

1. AXA is incorrectly insisting they are under-insured.
2. They have not been provided with details of the third party's insurer, despite repeatedly requesting these. And they want to contact this insurer to claim for uninsured losses.

3. These things have increased the stress on both of them.
4. The claim has taken over their lives and £900 is not enough to recognise the very clear and substantial suffering they continue to be subjected to. And they want to understand precisely how the compensation I've suggested has been calculated.
5. They have been unable to increase the rent they charge the business operating from the insured premises due to the delay on the claim. And it would normally be increased by 5% annually. It is £12,000 per year. So they have lost £1,230 up to December 2023.

Mr and Mrs B have also provided invoices for what they paid for the support of the roof and removal of the shutter door and stated the amount they paid for the structural engineer's report. They have also provided an invoice for some other additional works they had carried out.

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.

I've noted what Mr and Mrs B have said and have responded to the points they have made below:

1. If AXA make a deduction from the amount due in settlement of Mr and Mrs B's claim because it considers they are under-insured, this is something Mr and Mrs B will need to make a new complaint about, if they have not done so already.
2. I agree AXA should provide details of the third-party insurer, but if it has not done so Mr and Mrs B will need to make a new complaint about this as well.
3. Any additional distress Mr and Mrs B have experienced because of these things will need to be considered as part of a new complaint.
4. As I explained in my provisional decision, the amount I award as compensation for distress and inconvenience reflects what I consider to be the level of distress and inconvenience the complainant or complainants have experienced. And I consider a compensation payment of £1,500 is appropriate for the distress and inconvenience Mr and Mrs B experienced due to poor claim handling by AXA in the period up to 31 December 2023. Mr and Mrs B have already received £600 from AXA for this period, and this is why I have said AXA needs to pay a further £900. I am afraid I cannot provide Mr and Mrs B with a precise calculation for the amount I have awarded; it is just what I consider appropriate overall. Mr and Mrs B can find out more about our awards for distress and inconvenience on our website. Or, if they would like us to provide them with a paper copy of what is on our website, they should let our investigator know.
5. If Mr and Mrs B consider they have lost rent due to the damage to their property and the poor handling of their claim, they should let AXA know and ask it to consider a payment to cover it. If they are unhappy with AXA's response when they do so, they will then need to raise a new complaint about this.

The amount Mr and Mrs B paid in total for the support of the roof and the removal of the shutter door was £1,675, which seems reasonable to me. So, I consider AXA should reimburse this amount plus interest as per my provisional decision. And Mr and Mrs B have said the structural engineer's report cost £480, which I assume they can provide an invoice for, if they have not done so already. So, AXA should also pay this amount.

Mr and Mrs B have also provided an invoice for additional temporary works costing £950. I did not consider these as part of my provisional decision, but they seem reasonable. Therefore, AXA should consider them and make a payment to cover these costs, plus interest if it considers it appropriate to do so.

Putting things right

For the reasons set out above and in my provisional decision, I have decided to uphold Mr and Mrs B's complaint, and I require AXA to do the following:

- Pay them a further £900 in compensation for distress and inconvenience.*
- Pay them £1,675 to reimburse what they paid to support the roof at the insured property and remove the shutter door. AXA must add interest to this amount at 8% per annum simple from the date Mr and Mrs B paid these amounts to the date of payment.**
- Pay them £480 to reimburse what they paid for the structural engineer's report, subject to them providing an invoice for this if they have not done so already. AXA must also add interest to this amount at 8% per annum simple from the date Mr and Mrs B paid it to the date of payment.**
- Consider what Mr and Mrs B paid for additional temporary works as per the invoice they have provided for £950 and pay what it considers to be appropriate for these works. AXA should also add interest to this payment at 8% per annum simple from the date Mr and Mrs B paid this amount to the date of payment.**

* AXA must pay the compensation within 28 days of the date we tell it Mr and Mrs B accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

** AXA must tell Mr and Mrs B if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr and Mrs B if asked to do so. This will allow Mr and Mrs B to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mr and Mrs B's complaint and require AXA Insurance UK Plc to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 3 June 2025.

Robert Short
Ombudsman