

The complaint

Mrs C and Mr C complain about the way AXA Insurance UK Plc ('AXA') handled a claim they made on their home insurance policy.

Mr C has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of "Mr C" throughout this decision.

What happened

The following is intended as a summary of key events only. Mr C held a home insurance policy underwritten by AXA. He made a claim for damage in February 2024 which he said was due to leaks in his bathroom behind his shower since around December 2023. AXA considered the claim but declined cover. They said Mr C had completed works himself which they hadn't authorised, and they said they had concerns that there was no evidence of a leak, and the damage was consistent with failure of the bathroom sealant or grout.

Mr C remained unhappy with how AXA handled the claim, so he raised a complaint. He said he'd had works completed to minimise further damage and understood the claim had been accepted and he was told to proceed with works while AXA dealt with the claim in the background. AXA considered the complaint and partially upheld it. They said the claim had been managed as they would expect except for a small period of delay of around three weeks, for which they awarded £50 compensation. Mr C remained unhappy with AXA's response – so, he brought it to this Service.

An Investigator looked into what had happened and recommended that the complaint should be upheld in part. She said it wasn't unreasonable for AXA to decline cover based on their surveyor's report, but she felt they had failed to manage the claim correctly. She there wasn't any evidence to show the property was uninhabitable, so she didn't think AXA needed to arrange alternative accommodation. But she did think AXA had given Mr C the impression they would be considering the cost of the claim to make a cash settlement, which caused confusion and delays. The Investigator recommended that AXA pay £350 compensation to reflect the impact their actions had on Mr C.

AXA accepted the Investigator's recommendations and said they would pay £350 compensation. But Mr C replied to the Investigator's recommendations but didn't agree. He said he'd repeatedly asked AXA to take on the claim and sent out contractors, but this had only happened after they started reinstatement works. He also said they were never told the claim had been declined and there were several discussions around settling the claim, but there had been disagreements around contractor's rates.

Mr C asked for an Ombudsman to consider the complaint – so, it's been passed to me to decide.

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've reached the same overall conclusion as the Investigator and I've decided to uphold this complaint in part.

I should explain that I won't be repeating the entirety of the complaint history here in my Decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

I can see that Mr C says AXA initially validated the claim via a desktop inspection and it does appear that discussions around including various damage was undertaken. Having reviewed the claim notes in detail, I think a lot of the confusion came from the fact that there appears to have been multiple reported issues which slowly increased the scope of the damage under the claim. For example, I can see that the original claim was initially declined on the basis of the problem being due to failed sealant or grout. AXA's notes say this was communicated to Mr C in May 2024 and he explained he'd had works done to seal and replace tiles, but the problem came back. So, the claim was then re-opened a few days later when Mr C told AXA he had identified the source of the leak, and it wasn't due to the sealant in the bathroom. He provided a report from a company that had identified a leak at an adaptor inside the wall of the bathroom. The report said that no other issues were found at that time.

On the basis of the report, AXA said they validated the damage and started to produce a scope of works in June 2024. During this time, various remediation works were undertaken by Mr C, but AXA said they didn't feel alternative accommodation was necessary at this point. I can also see AXA discussed potentially making a recovery from the property's original builders. There then appeared to be some delays with agreeing the price of scope of works, as AXA wasn't able to consider all of the damage Mr C had raised as part of the claim. I understand Mr C also had some difficulties in securing a contractor to complete the required works. By early August 2024, there were issues with confirming all the details of the claim and reinstatement works – so AXA instructed a company, who I'll refer to as "B" in this Decision, to undertake a site inspection.

It was at this point that AXA advised Mr C to stop any of the reinstatement works he had undertaken until B had the opportunity to conduct their site visit. Following that visit, B's report concluded that there were no visible signs of discolouration or staining to the timbers in the bathroom cavity which would indicate an escape of water. And AXA also said while there was water staining present in the kitchen, this was confirmed as being pre-existing since 2020. It was at this point that AXA said they wouldn't be covering the claim as their report didn't identify any escape of water that the policy would cover.

Ultimately, AXA's position is that the damage their report identified is consistent with a failure of sealant or grout and the cavity shows no sign of water damage. And having reviewed this report myself, I don't think this is an unreasonable outcome to reach. I appreciate Mr C disagrees with this – but I'm persuaded AXA can justify the decision they made based on the available evidence.

I recognise that Mr C has said that AXA were discussing settling the claim initially, and I take on board his frustrations over this. But given the initial claim had increased in scope during the course of progressing things, and Mr C was carrying out repairs himself, I can understand why AXA later declined the claim when they did, given their updated findings.

However, while I don't think AXA need to meet the claim, I do think they could have identified this earlier and removed a lot of the confusion Mr C experienced by giving clearer instructions over whether they would be covering the claim. The Investigator previously recommended that AXA pay £350 compensation to account for their handling of the claim, the delays, and the confusion caused by providing a scope of works but later declining the claim. And I can see AXA have agreed with this.

I've considered Mr C's testimony about how he says this claim affected him. I haven't detailed everything here, given its personal nature, but I've considered everything he's submitted. I agree that having the claim declined later than it should have been would have caused additional distress and inconvenience over and above a normal claim experience, especially given the specific circumstances of his family's needs. So, while I don't think it was unfair for AXA not to provide alternative accommodation, I do think they should pay compensation to account for their actions.

Having done so, I agree that a compensation payment of £350 is a fair and reasonable conclusion to this complaint. I appreciate Mr C may feel the sum recommended by the Investigator isn't enough to compensate him – but I'm overall persuaded it creates a fair and reasonable conclusion to this particular complaint. And I'm satisfied this sum reflects the impact AXA's actions had on Mr C and is in line with similar awards this Service would make.

Finally, I can see that AXA also paid a sum of £25 compensation to account for a delay in responding to Mr C's complaint. This sum doesn't form part of my approach to compensation for the way the claim itself was handled, so it shouldn't be included in my compensation award.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require AXA Insurance UK Plc to pay a total of £350 compensation for distress and inconvenience caused.

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

Stephen Howard
Ombudsman