

The complaint

Mrs L complains AXA Insurance UK Plc (“AXA”) caused her distress and inconvenience in how it handled her claim on her landlords insurance policy. She says it declined her claim but wasn’t clear about why and it provided poor customer service. Any references to AXA include its agents.

I note Mrs L has a representative in this case. But as the policy is in her name, I will refer to her throughout this decision.

What happened

Mrs L renewed her existing landlords insurance policy covering her rental property around August 2023. Around April 2024, after her tenants left the property, Mrs L noticed damage to the garage – a separate building from her main property. At the time, she said she’d noticed a large crack in the floor and one of the pillars had come away from the concrete structure.

AXA instructed a loss adjuster (“LA”) to inspect the property and assess and validate the claim on its behalf. Following the inspection, the LA sent a report to AXA. This said the damage was old and had existed for at least 10 years. The LA said the crack didn’t look clean or new and instead, it was worn and discoloured like the rest of the floor slab.

As a result of the LA’s findings, AXA declined Mrs L’s claim. Whilst she’d had the policy for a number of years and had kept renewing it over that time, it said it had only been the underwriter for around 20 months. So it thought the claim better sat with the previous underwriter (who I’ll call “A”). AXA directed Mrs L to make a claim to A instead, which she did shortly afterwards.

A covered Mrs L’s claim but she remained unhappy because she felt it hadn’t covered the claim in full and having to go to A had caused delays to her property being repaired. She thought it would’ve been fair and reasonable for AXA to have covered the claim itself and recovered the costs from A.

Unhappy with the decision made by AXA and how it had handled her claim, Mrs L made a complaint. She said dealing with AXA had caused her significant upset. She explained she had to be in regular contact with multiple people; she wasn’t given a clear reason why the claim wasn’t covered; and she’d been given the impression that it would be. She also felt AXA hadn’t shown the damage to her garage was pre-existing. Mrs L was also unhappy with what happened during the LA’s visit, including that she thought he’d broken her garage door. Whilst AXA didn’t accept it was responsible for the damage to the door, it did accept what Mrs L had said about the visit overall.

In its final response letter, AXA highlighted that Mrs L’s representative had called in regularly to speak to her claim handler. And because she wasn’t always available, he ended up discussing the claim with other members of staff. But it accepted it could’ve explained things clearer and ensured she understood the likely timescales. So it offered her £100 to make up for the upset this and the LA’s visit would’ve caused her. As Mrs L didn’t accept AXA’s response, she asked our service to look into things.

Our Investigator upheld Mrs L's complaint in part. She thought AXA had decided the claim fairly but she didn't think the offer it made was in line with what we'd usually expect in this sort of situation. So she suggested it was increased to £300. But as she thought a lot of the distress and inconvenience was caused to Mrs L's representative rather than her, our Investigator didn't think AXA needed to do anything more.

As Mrs L didn't accept our Investigator's opinion the complaint was passed to me to decide. I issued a provisional decision on this complaint in May 2025. I've copied my provisional decision below:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

I recognise I've summarised this complaint and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Based on what I've seen so far in this case, I plan to reach the same outcome as our Investigator and uphold this complaint in part. But I'm doing so for different reasons. I can see how important this complaint is to Mrs L and I thank her for taking the time to provide the information she has.

Declined claim

Mrs L says AXA hasn't fairly decided her claim as she doesn't think it's evidenced the damage was from before the start date of the policy. In this case, it seems AXA is saying the damage to Mrs L's garage started and finished before it started underwriting the policy. And it's not unusual in those circumstances for the previous insurer to cover the costs of repairing the damage.

At the moment, I agree with Mrs L that AXA hasn't given us much information to show the damage was historic subsidence damage which had finished before it started underwriting the policy in 2022. Instead, it seems to have only relied on its LA's comments that the cracks were discoloured and dirty. But I can see from the further information from A, it seems its LA also considered the damage was caused by subsidence. And as A accepted the claim, I think it's reasonable to assume it was satisfied the damage happened before 2022 and wasn't continuing at the time Mrs L first noticed it.

When a claim is made, it's for the customer to prove their claim to the insurer. I note AXA asked Mrs L to provide more evidence – such as a structural engineer's report – to support her view that the subsidence wasn't historic but Mrs L declined to do so. Whilst I can understand her position considering the potential cost of such reports, I haven't seen enough so far in this case to make me think AXA has declined the claim unfairly.

AXA said it declined the claim as it was pre-existing to the start date of her policy and that's not covered under the policy terms. The term it was initially relying on to decline her claim related to contents cover – so it was irrelevant to her claim. But it's now highlighted to me that the policy terms specify cover is only provided for events which occur during the period of insurance set out in the policy schedule.

Whilst I appreciate Mrs L's policy initially started around 2013, the last renewal date was August 2023. And the schedule specifies that's when the period of insurance started. So I'm currently satisfied AXA has declined the claim in line with the policy terms and conditions.

I understand Mrs L is unhappy as she says A hasn't covered her claim in full and there are additional expenses she's had to cover herself. But as I don't think AXA's done anything wrong in declining her claim and referring her to the previous insurer, A, I can't hold AXA responsible for this. And I suggest if Mrs L is unhappy with how A has handled things, she approaches it directly about that.

Customer service

Mrs L is very unhappy with the service she received when she claimed on her policy. In particular she says she was passed from business to business and from one representative to another. I understand from what she's said that when she first tried to claim, she was directed to the incorrect insurer. But based on what I've seen so far, I don't think this had anything to do with AXA. So I can't hold it responsible for what happened here.

Mrs L asked me to listen to all of the calls she had with AXA of which there were a large number. She says during these calls, she was given the impression her claim would be covered and it was only at the end, she was told it wouldn't be. In particular, she highlighted a call from 17 May 2024 during which she says she was told the claim would be covered.

I can assure Mrs L, I've listened to every call I've been provided with, including this call specified. And it's clear throughout them, she is very concerned about whether her claim would be covered – and she was looking for reassurance from AXA before it had decided whether it would be. So I can understand why she might've felt frustrated when AXA wasn't giving the answers she was looking for. But at the moment, I don't agree AXA indicated the claim would be covered. For example, during the call on 17 May 2025, whilst the claims handler does say she can't see anything in the LA's report that wouldn't be covered she also explains repeatedly that the decision is yet to be made by a structural engineer. And she highlights during that call that there is a question regarding the age of the damage and that the claim may need to be made to the previous insurer.

Mrs L's said she wasn't given a clear reason why her claim was being declined. And at the moment, I accept what she's said here. I've listened to a call from 22 May 2024 with a representative of the LA team. During this call, the representative said they thought the best thing to do would be to decline the claim. He said the damage wasn't caused by subsidence and it wouldn't cost Mrs L too much to cover the cost of rebuilding the garage herself so it was better to decline the claim rather than her having a subsidence marker on her records. He did mention during this call that the claim wasn't covered anyway as the engineer thought the damage was pre-existing to the start date of the policy. But he focussed the conversation on AXA trying to do Mrs L a favour by not having a subsidence claim on the policy.

It was around a month after this call that AXA let Mrs L know it wasn't covering her claim as the damage looked as if it pre-dated the policy start date. But it didn't specify what it thought the cause of the damage was and she'd already been told during the above call that it wasn't subsidence. AXA's told me it's recorded the cause of damage as subsidence. But I can understand due to the different messages Mrs L received, why she doesn't feel it's been open with her about this - and why she's been confused about the basis of the decline.

I appreciate this call – and most of the communication between AXA and Mrs L was with her representative. But I currently accept Mrs L would've been given the information that was shared and, would've been left feeling confused by it. I'm also satisfied she would've found it distressing to see someone close to her was going through a difficult time because of AXA's communication here. So I don't think who the call was with makes a difference in this case.

Mrs L's complained about the visit by the LA as she felt he was unprofessional and damaged her property. AXA has already accepted part of what she's said so I won't go into that further. Instead, I've considered this when thinking about how AXA should put things right.

I've thought carefully about the damage Mrs L says the LA caused to her garage door when he opened it. During various phone calls with AXA, Mrs L's representative said the door just twisted and came off as it was opened. This sounds to me like serious damage was caused to the door and it seems unlikely that could've happened just from it being opened if it wasn't damaged already. Considering the damage that had already happened to the garage as part of the claim, I currently think it's likely that impacted what happened to the door.

Overall, based on everything I've seen in this case, I agree with our Investigator that AXA's initial offer doesn't go far enough to put things right, particularly when taken together with the information Mrs L was given about why the claim wasn't being covered and what the cause of the damage was. I can understand why she was left feeling confused and unsupported by AXA at what was already a difficult time in her life. To make up for the trouble, upset and confusion Mrs L would've experienced in this case, I think AXA should pay her £300.'

Before I reach my Final Decision, I asked both parties to make any further comments in response to my provisional decision. AXA accepted my findings. Mrs L said in summary:

- AXA has been inconsistent about the cause of the damage. In the call in May 2024, AXA said the damage wasn't caused by subsidence but it's now told our service that it was. This has meant Mrs L has been left confused and it's delayed things.
- AXA and A have given inconsistent information about the cause of the damage. A has only accepted the claim under its accidental damage terms.
- £300 compensation doesn't reflect what Mrs L and her representative have been through, particularly considering the number of calls they made, the numerous people they spoke to and the delays caused to her letting her property out.
- The Investigator had highlighted the poor service AXA provided was to Mrs L's representative and not her. Had the poor service been directed at Mrs L, the Investigator said she would've awarded significantly more compensation.

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 thought very carefully about the comments I've received in response to my provisional decision. I understand why Mrs L is disappointed with my provisional decision. But having reconsidered all of the evidence in this case, I've decided to uphold this complaint in part, for broadly the same reasons as set out in my provisional decision.

Mrs L has highlighted that AXA hasn't been clear with her about the cause of damage to her property. And as I've explained above and in my provisional decision, I can see why she feels this way. By telling her during the call in May 2024 that the claim wouldn't be recorded as subsidence, I think it left her feeling confused about what the problem was with her property. But I note AXA did make it clear during this call that the claim wasn't covered and why. So I think she at least understood her claim wouldn't be paid. Overall, whilst I think AXA could've been clearer about the cause of damage, I'm satisfied the compensation I've directed it to pay makes up for this.

I understand A hasn't dealt with Mrs L's claim in the way she wanted and instead it's considered it under the accidental damage section of the policy. But as that is an issue between Mrs L and A, I can't consider it here.

Mrs L doesn't think £300 fairly reflects the difficulty she's been put through considering the number of calls she and her representative made and the people she spoke to. But I've listened carefully to the calls I've been given and looked through all of the correspondence between Mrs L and AXA. And whilst I appreciate how concerned she was that her claim would be covered, I can't say the volume of calls she made to AXA were necessary to speed things up or clarify what was happening. I also note, her representative often called to speak to one person but when they weren't available, rather than waiting for a call back, spoke to the person who had answered the phone instead.

Overall, whilst I can understand it must've been very stressful and time consuming for Mrs L and her representative to make the calls they did and speak to the number of people they did, I can't say AXA put them in a position where this was necessary to resolving the claim.

Mrs L's explained she was unable to let out her property while the problem was ongoing and she feels AXA is responsible for this delay. I understand for Mrs L, this has gone on for a long time. But I can only hold AXA responsible for any delays it caused. Mrs L made the claim on her policy around April 2024. By the following month, she'd been told over the phone that the claim was being declined. And around the end of June 2024, I can see AXA wrote to Mrs L to let her know the damage looked to have happened before the start date of the policy and that she'd need to contact her previous insurer.

Claims of this nature can take some time to investigate before a decision can be reached by the insurer. And considering the amount of time that passed between when Mrs L first made the claim and when AXA let her know it wasn't covered – around two months – I don't think AXA caused unreasonable delays here.

Mrs L doesn't think £300 fairly compensates her for what she's been through. She's highlighted that our Investigator suggested she would've awarded more if Mrs L was more directly impacted by AXA's actions rather than her representative. And based on what our Investigator said here, I can see why Mrs L is disappointed. But this complaint was passed to me to look at afresh and impartially. Sometimes when ombudsmen look at cases again, they might reach the same outcome as the Investigator but sometimes they don't. I can assure Mrs L though, I've looked into everything very carefully and I'm satisfied the outcome I've reached is fair.

My final decision

It's my Final Decision that I uphold this complaint in part and direct AXA Insurance UK Plc to put things right by paying Mrs L £300 as compensation to make up for the trouble, upset and confusion it's caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 7 July 2025.

Nadya Neve
Ombudsman