

The complaint

Ms H has complained about the price her let property insurer AXA Insurance UK Plc charged her at renewal. She is also unhappy about it recording a claim against her, which she thinks influenced the high renewal premium.

What happened

Ms H held insurance with AXA for a number of years. She called it in October 2024 because her tenant had reported cracks in a ceiling of the property. Ms H was worried it might be subsidence. She contacted AXA and asked for a surveyor to be sent to assess the damage. AXA asked for photos to be sent. Having seen photos AXA said the cracks were not subsidence, it told Ms H the matter was closed. Ms H accepted that decision.

The policy for the property was due to renew a few weeks later. The renewal was initially priced at more than double what it had been the year before. Ms H was shocked and upset – noting her enquiry about cracking had been recorded as a claim and believing the increase must be linked to that. When Ms H spoke to AXA some of its call handlers said the increase could be to do with the claim. The price was reviewed and slightly decreased (to sit at just double what it was the year before).

Ms H was still unhappy. AXA took her dissatisfaction as a complaint. When AXA issued its complaint final response letter, it said the increase had been caused by economic factors, not the claim. It said it had been required to log the claim – which it had initially done as subsidence, but later changed it to one for accidental damage, showing a zero cost.

When Ms H complained to the Financial Ombudsman Service, our Investigator considered detail AXA had provided to us to show how it had priced Ms H's renewal. Our Investigator was satisfied it had priced the renewal fairly, without factoring in the claim. She was also satisfied AXA had acted fairly in recording a claim, ultimately changing it to one for accidental damage once it was satisfied no subsidence had occurred.

Ms H was unhappy with our Investigator's findings. She said the premium doubling couldn't possibly be fair. She also wasn't satisfied the increase could reasonably be blamed on economic factors – other policies for other properties she has hadn't seen the same or a similar increase. Ms H was adamant she had not made a claim but remained certain that AXA's unfair record of one had caused the premium increase. She asked would it be fair for a policyholder to see an increase if they had damage caused by a water leak which they fixed but did not claim for – surely an insurer couldn't reasonably increase prices if it hadn't incurred any outlay?

The complaint was referred for an Ombudsman's decision.

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 appreciate this has been a frustrating time for Ms H. I know she firmly believes the claim AXA recorded has affected her premium and she can't accept that other factors may have caused that. However, I can assure Ms H that I've seen details showing how AXA priced the renewal and the claim recorded did not influence the premium increase.

It would likely help Ms H to understand this if I could share more detail with her about how the price was reached. But I can't do that because how an insurer views risks, and what price each decides to attach to a perceived risk is commercially sensitive information. As such it's not something we are able to share detail of.

But, what I can do, is pick up on this point above – the way each insurer views risk. So, whilst I know Ms H has other policies for other properties which have not seen an increase, that does not mean AXA's increase must have come from the claim recorded. Rather the other insurers for the other properties will very likely view risk and what prices they want to apply differently. The price an insurer may charge might also depend on its own claim/risk experience. So even if two properties are situated in the same postcode – the two separate insurers might view the risk associated with that postcode differently. Possibly resulting in two very different premiums being charged for the similar properties.

I do see that AXA was able to cap the price Ms H was charged. I note the initial price was set to be more than double that of the year before. But, noting that substantial increase, AXA agreed to cap the change to just double. I recognise that is still a huge increase for Ms H to bear. But I am satisfied that AXA priced her cover as it would anyone else with the same risk factors and that the recorded/disputed claim was not a factor in the pricing. And I've not seen anything which makes me think, as Ms H does, that if she had not asked AXA to assess this cracking, her renewal would have been issued at a much lower price. I'm satisfied AXA acted fairly and reasonably.

In terms of the claim Ms H disputes making, it's relevant to think about how insurance works. Most insurance policies offer protection against loss or damage caused by certain events. With the insurer being able to step in to provide cover under the policy when a claim is made. The insurer is not there to assist or advise a policyholder about whether certain damage they have might be caused by one of the events listed, so they can then decide if they might like to make a claim.

I know Ms H wanted AXA to go out to assess the cracks she'd been notified about. And that she'd told AXA she believed they might have been caused by subsidence. In light of that I think it was reasonable that AXA made a claim record. Having done so it was then able to assess the claim – which it felt able to do by consideration of photos. That is not an unreasonable approach. When it then decided there was no subsidence it acted to change the record to accidental damage. The cover for accidental damage is more of a 'catch-all'. As the claim reasonably had to be recorded as something, and it wasn't subsidence, I think AXA acted fairly and reasonably.

My final decision

I don't uphold this complaint. I don't make any award against AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 22 October 2025.

Fiona Robinson
Ombudsman