

## **The complaint**

Miss D was unhappy that costs associated with rectifying poor workmanship were recorded against her claim. She said these have unfairly impacted her future insurance premiums. Miss D had a home insurance policy with AXA Insurance UK Plc ("AXA").

## **What happened**

Following a storm in 2023, Miss D made a claim against her policy. The claim proved to be problematic, and Miss D raised several complaints relating to it.

One material area of concern for Miss D is the high level of cost that was recorded by AXA against her claim. During the claim AXA and its representatives made errors in respect to the claim. Poor workmanship led to re-work and accidents caused further damage that needed to be rectified. The cost for putting right these areas is included in the costs recorded against Miss D's claim.

Miss D has complained as she's said the high cost recorded for her claim has led to her premiums increasing unfairly. Miss D has asked for a full breakdown of the costs and requested the costs relating to the poor workmanship aren't reflected in her claim.

AXA has compensated Miss D for the errors that have happened during her claim. Its contractors also repaired her roof by mistake, even though it wasn't covered by the policy. AXA has said it won't pursue Miss D for these costs that it incurred.

Our investigator decided not to uphold the complaint. She said AXA had recorded the correct information against the claim, and she said the level of cost reported didn't impact Miss D's premiums. Miss D disagreed, so the case has been referred to an ombudsman.

## **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 can see the claim has been a long one for Miss D and it has impacted her wellbeing and a significant holiday. I hope life is getting back to normal for Miss D after these issues.

The claim has been a complex one for the reasons I've outlined. Miss D has raised several complaints for which AXA paid some compensation. I want to clarify that my jurisdiction for this decision is limited to looking at whether Miss D's claim has been correctly reported and whether this has had an adverse effect on Miss D in respect to the future premiums she is likely to pay.

An insurer has a responsibility to record all costs relating to a claim. AXA has recorded all the costs that have been incurred in this claim, whether it be costs incurred correctly or costs incurred due to inefficiency (e.g. due to re-work, rectifying mistakes etc).

Insurers may recover costs from third parties in relation to a claim, which can reduce the gross amount that is recorded against a claim. In Miss D's claim, AXA has explained to our

service it's in discussion with its sub-contractors about the errors that have occurred, and it is trying to recover some of the costs related to this. AXA has confirmed that if it is able to recover any of its outlay, it will reduce the costs recorded against Miss D's claim. I can see AXA has shared an email with Miss D explaining the level of costs it's trying to recover from its contractor.

AXA is following the process I would expect it to do so, so I don't think it has done anything wrong on this point. However, I have still considered whether I think it's fair for Miss D's claim to be saddled with these costs. I can see from the breakdown of these costs, the main additional costs relate to three main areas (the repair costs for the roof itself, the costs for the blind and TV stand and the internal repair costs for the second round of repairs). Miss D has explained the costs recorded on her claim has caused her premiums to increase and she's fearful of the future cost she will face. Unfortunately, when any claim is made, it's likely a policyholder's premiums will increase. Even if a policyholder has a no claims bonus, the fact a claim has been made will normally increase the perceived risk of insuring that individual so the gross cost of providing cover will increase. So, I'm not surprised that Miss D's premiums have increased.

I can't reasonably ask AXA to exclude the roof costs. Whilst the contractors made the repair in error, Miss D has still had the benefit of the new roof, so I think it's fair for these costs to be recorded against the cost of the claim. I'm not persuaded the other costs that have been incurred (fixing poor workmanship / damage caused) are likely to have had a material impact (if any) on Miss D's premium or her ability to obtain insurance. I think the impact is likely negligible when compared to the impact of making the original claim / cost of replacing the roof, plus the other valid parts of the claim.

AXA has demonstrated to our service that at renewal it would've offered Miss D a quote for insurance cover. As I've said it was likely her premium would've increased because of the claim. However, the level of costs recorded on the claim wouldn't have caused the premium with AXA to increase any further if Miss D chose to renew with AXA.

Miss D changed provider before the renewal (and before the storm), choosing to take insurance elsewhere which is her right. All insurers have different approaches when it comes to pricing and in essence the competitive marketplace is what regulates the cost of insurance. Miss D said she's had difficulty getting a quote for insurance with AXA more recently. If she has and she feels she's been discriminated against she should raise a complaint first with AXA to allow them to consider it (it can be escalated to our service if needed once AXA has had opportunity to respond).

However, Miss D should note insurers often change their commercial approach to covering sectors of the industry – if she was refused cover, then I'd expect an insurer to set out the reasons, which would normally be underpinned by an insurer's underwriting rules. I haven't seen evidence AXA wouldn't provide insurance due to the costs recorded on Miss D's claim. As I haven't seen anything AXA has done wrong in respect to recording costs or in it been prepared to offer a policy on renewal, I don't uphold this complaint.

### **My final decision**

My final decision is that I don't uphold this complaint. I don't require AXA Insurance UK Plc to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 12 November 2025.

Pete Averill  
**Ombudsman**