

## **The complaint**

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

## **What happened**

The details of this claim are well known to both parties, so below is a summary of key events important to this complaint.

Mr and Mrs F made a claim on their AXA home insurance policy following an escape of water in 2021. The claim was accepted, and reinstatement work was needed to the kitchen in the property. Mr and Mrs F were unhappy with various aspects of the claim and complaints were made by Mr and Mrs F about AXA's handling of matters and considered by our Service in 2023.

In October 2024 Mr and Mrs F referred a further complaint to this Service. AXA had, in a final response letter (FRL) dated 2 July 2024, accepted that flooring laid in the kitchen by its contractor had been done so incorrectly. To correct it, Mr and Mrs F's recently installed new kitchen would need to be removed to facilitate the repairs to the floor.

AXA said to put matters right; it would cover the cost of removing and reinstalling the kitchen. It noted Mr and Mrs F's concern that this would invalidate the ten-year manufacturer's warranty but said it would provide a guarantee to match that offered by the manufacturer, H, for the same time period. It offered £675 compensation for the inconvenience caused to Mr and Mrs F, and the time it had taken to review issues with the kitchen.

Mr and Mrs F weren't prepared to accept AXA's offer. They said they'd chosen the kitchen they had, in part, because it benefited from the ten-year warranty. They said AXA agreeing to 'step in' and cover that warranty wasn't the same and doesn't put them back in the position they'd be in had AXA not made the error with the flooring. They wanted AXA to pay for a new kitchen to be installed, as a guarantee would then be provided by H.

Our Investigator felt AXA had not treated Mr and Mrs F fairly. He thought AXA should pay £3,000 compensation for the unnecessary upset AXA had caused in not listening to Mr and Mrs F's concerns raised about the floor prior to the kitchen installation, as well as the continued inconvenience they faced as a result of ongoing works being needed.

However, he was satisfied that AXA's offer to remove and reinstate the original kitchen, was a fair and reasonable one. He said whilst Mr and Mrs F's warranty with the kitchen company would be void, as AXA had agreed to provide the same guarantee, he wouldn't ask it to pay for a full replacement kitchen.

AXA accepted the outcome of the complaint. Mr and Mrs F didn't. They maintained AXA's offer to cover the guarantee wasn't putting them in the same position. They said AXA's guarantee would be non-transferable and accepting it would put them in a position where they'd have an ongoing relationship with AXA which they didn't want nor should be expected to have.

They further said the guarantee is complex and needs to be drawn up by solicitors, a single email from AXA isn't sufficient, and yet AXA wouldn't agree to engage further to produce a proper guarantee document.

As the matter wasn't resolved, it came to me to decide. I have already issued a provisional decision on this complaint, provisionally I said:

*"As this is an informal Service I'm not going to respond to every point made, or piece of evidence referred to by the parties, instead I'll focus on the key reasons for the reaching the decision I have. But I'd like to reassure both AXA and Mr and Mrs F that I've read and considered all that has been provided.*

*It's clear this has been a long running claim, with several disputes being raised throughout. To be clear, in line with our Investigator's findings, I'm only considering matters from February 2023, when our previous involvement with matters ended. I'm not going to revisit matters which this Service has already issued an opinion on.*

#### The kitchen

*AXA accepts it has failed Mr and Mrs F by a poor installation of the floor. And it accepts that due to its unacceptable work to the flooring, the kitchen, recently installed, will have to be removed. So, I don't need to make any findings in those respects or spend time detailing AXA's failings further. I appreciate this has been a drawn-out issue for Mr and Mrs F causing substantial distress and inconvenience. But as the facts aren't in dispute, I'm only going to focus this decision on whether AXA's proposal to put matters right is fair and reasonable. But to be absolutely clear, I agree with Mr and Mrs F they have been failed by AXA.*

*AXA's proposal as I understand it is:*

- It will pay for the manufacturer, H, to remove the kitchen whilst works to the flooring are completed.*
- It will pay for H to then reinstall the kitchen.*
- If, either on removal or reinstallation of the kitchen, any part of it is damaged. It will replace it as new.*
- It will then 'step in' to the shoes of the manufacturer, to provide the same level of cover that H's guarantee would provide, for the same period.*

*Mr and Mrs F say they don't want the kitchen to be reinstalled. They've made various points which I've summarised below:*

- They will lose the ten-year guarantee from the manufacturer; a key reason they bought the kitchen from that company.*
- AXA agreeing to 'step in' and provide the guarantee puts them in an ongoing relationship with AXA which they don't want.*
- The manufacturer has said that reinstalling it would essentially mean the kitchen was 'second hand'.*
- The manufacturer has said re-fitting the kitchen will never be as good as a new kitchen.*
- This doesn't put them back in the position they would've been, but for AXA's failings. They feel the only way to do that is for a new kitchen to be installed.*

*This Service does seek to put a consumer in the position they'd be in (or as close as possible) had a failing not occurred. But the failing here is that AXA laid the floor so poorly that it needs to be re-laid. It's failing isn't that it has damaged Mr and Mrs F's newly installed kitchen. I don't think, simply because the kitchen needs to be removed to facilitate the flooring being fixed, it follows that AXA should pay for a brand-new kitchen.*

*I also consider that awards this Service makes are proportionate to the mistake made. There is no doubt AXA made a mistake, it didn't ensure the flooring was correctly laid before the kitchen was installed, despite Mr and Mrs F raising concerns about the floor. Whilst I*

consider AXA should pay a substantial amount of compensation for the upset, and inconvenience this has caused, I'm not persuaded it's reasonable to require it to pay for a new kitchen. This is an impartial Service, so I have to consider what is fair to AXA, as well as what is fair to Mr and Mrs F.

AXA has said it will pay for Mr and Mrs F's manufacturer ("H") to manage the removal and reinstallation of the kitchen. I think this is appropriate as they are the experts in fitting those kitchens and should have the necessary expertise to do so. And I consider it is relatively common in insurance claims that kitchens are removed, whilst floor works are carried out, and reinstalled as part of an insurers obligations to carry out a lasting and effective repair. So I don't accept it isn't possible to reinstate the kitchen without issues.

H has said that re-fitting the existing kitchen can never be as good as a new kitchen. It's said the joints and fixings will no longer be in their optimum positions. AXA says it is committed to replacing any parts which may become damaged during the process. Its view is also that it's unlikely the structural integrity will be compromised. So clearly, there are differing views, and I'm mindful that both H and AXA are coming from a different standpoint.

H is commenting essentially on the risks of the removal and reinstallation of the kitchen versus the fitting a brand-new kitchen. Clearly, re-fitting a new kitchen would be better for H and carry less risk in terms of any potential issues in the removal and reinstallation. AXA's standpoint is coming from one of putting right its failures whilst being mindful of claim costs and its overall liability. In that respect I don't consider either the comments of H or AXA to be wholly independent.

But key for me is that AXA has said it will replace, as new, any of the kitchen cabinetry damaged during the removal and refitting. This is reasonable and something this Service would expect an insurer to do as part of any reinstatement work. So I'm satisfied that, should there be issues with the kitchen caused by removal and installation, Mr and Mrs F wouldn't have to bear the cost of any works needed themselves, which would be clearly unfair and unreasonable.

As such, for the reasons given above, I think AXA's proposal of removing and reinstalling the kitchen, is a fair one, and so I don't intend to require it to pay for a brand-new kitchen to be installed to resolve the complaint.

#### The warranty

I do accept there is a further sticking point for Mr and Mrs F. They say of significance to them in their kitchen purchase was the benefit of a ten-year guarantee. They say as that will now be lost, they're in a worse position due to AXA needing to remove the kitchen. It is unfortunate and no doubt disappointing for Mr and Mrs F to hear that H wouldn't be willing to offer the warranty in the circumstances they find themselves in. But that still doesn't persuade me that AXA needs to install a new kitchen.

AXA has said it would also offer the same cover as provided by H's guarantee, for the same period. I can see why Mr and Mrs F have reservations with accepting such an offer. The kitchen was only installed in 2023, it's very possible that there might be in issue with the kitchen in eight years' time, when AXA's notes on the claim and what was agreed might not be readily available. I can foresee the issues Mr and Mrs F envisage as to what would happen if a future dispute arose about the warranty and its application. That being said, it's also possible that Mr and Mrs F will never need to make a claim on the warranty. Or a future claim they made to AXA might covered by it without issue.

In view of Mr and Mrs F's understandable reluctance to agree to AXA providing the guarantee, I'm going to propose that AXA instead pays a cash payment to Mr and Mrs F in lieu of providing that warranty. I think in proposing this, if Mr and Mrs F were to accept, it would resolve matters for both parties, without Mr and Mrs F having an ongoing relationship with AXA which they say they do not want given the history of the claim.

*Of course, coming up with a figure isn't easy or an exact science. No one can ever know, at this point, if any future issues will arise. But clearly, Mr and Mrs F feel there will be a loss of enjoyment of their kitchen, as they don't consider it will be 'new' when reinstalled. They're also concerned about the impact of a lack of the ten-year guarantee should they come to sell their property. I've considered all of those factors when coming up with what I think it is a reasonable amount.*

*Mr and Mrs F estimate that by not having the guarantee in place, their house price could be reduced by around £60,000. I haven't seen enough to persuade me that any possible future house sale would be impacted by Mr and Mrs F not having the guarantee from H. They've said if there were two identical properties on the market, one with a ten-year guarantee from H, and another without it, the one with the guarantee would be more attractive and thus achieve a higher price. I accept that is possible. But I'm mindful that this is a hypothetical comparison, as they don't have an otherwise identical property to compare there's to.*

*Mr and Mrs F have a bespoke kitchen fitted to their needs and tastes. I consider it's also possible that a potential future buyer might be more attracted to a kitchen in the style they want, rather than placing significance on it having any guarantee. And I'm also mindful that the market value of a property is likely to be more significantly impacted by the current (at the point of sale) economic climate and availability of other properties in a similar price range. I'm not persuaded the absence of a guarantee for a newly installed kitchen (assuming they did intend to sell within the next few years) would impact the house price as significantly as Mr and Mrs F have set out.*

*That being said, I do accept it's possible that there could be some reduction in value as a result of the kitchen not benefitting from a guarantee, if Mr and Mrs F were to sell the property in future. As such the figure I'm proposing to resolve matters is essentially a global payment to cover any potential future issues that might arise with the kitchen that would've been covered by the guarantee. Or to account for any potential loss in value should Mr and Mrs F ever come to sell the property. I'm going to propose AXA make a payment to Mr and Mrs F of £8,000. This represents roughly 10% of the cost of the kitchen as new. To be clear I intend to decide this would be in addition to payments it's offered for accommodation whilst the works are ongoing (which as far as I'm aware is not disputed by the parties) and separate to any compensation award for distress and inconvenience, which I'll consider below.*

*However, I'll take into account any comments either party wishes to make in response to my provisional findings, before reaching a decision on this point.*

### Compensation

*Mr and Mrs F have been caused substantial distress and inconvenience as a result of AXA's failings. The kitchen installation was never completed once issues with the flooring were discovered in December 2023, the flooring in situ is uneven and potentially a trip hazard and Mr and Mrs F will have the disruption of further works needed to their property. The impact of all of this being greater owing to health conditions, which I won't detail here given that we publish our decisions. I'm satisfied that an award of £3,000 is fair and reasonable to account for the emotional impact and inconvenience caused to Mr and Mrs F.*

### Responses to my provisional decision

*AXA considered it was offering a like for like warranty, and was confident that it could (and would) fulfil any valid claim on it, although it considered the manufacturer's warranty to be very limited. It also wasn't persuaded that not having a manufacturer-backed warranty on the kitchen would have any impact on a house price, should the property be sold.*

*However, in order to resolve matters it offered, in lieu of a warranty, to settle this part for £4,000. But it said in reality, since payment is being made with no certainty that damage might occur, that this is putting Mr and Mrs F in a beneficial position.*

Mr and Mrs F were broadly in agreement with the £8,000 in lieu of the warranty. But they said they didn't yet know if £10,000 for alternative accommodation was reasonable as they didn't know how long they'd need to vacate for.

They felt compensation should be at £5,000 as the highest amount in the award category referenced. They also said they'd incurred legal costs of around £6,000. They said AXA's aggressive stance in relation to the warranty had left them with no choice but to engage solicitors. And given I had recognised their reluctance to accept that, the legal costs incurred disputing it should be reimbursed.

In relation to the removal and reinstallation, Mr and Mrs F made the following points:

- Costs have risen (for the removal and installation) and so can they assume AXA will meet those increased costs?
- They wanted it confirmed that – in relation to the removal and reinstallation, AXA would agree (in line with [REDACTED] recommendation) to the following:
  - *"I have explained that I would be responsible for checking the condition of the kitchen after its returned from storage prior to the refit to establish which parts can be refitted and what parts will need to be replaced or, indeed, whether it is feasible to re install it at all. This will depend upon its condition following transportation and storage.*
  - *It is not unknown for cabinetry, for reasons beyond our control, which has been stored even for very short periods of time incorrectly to be beyond use and need replacing."*
- In terms of their appliances, the guarantees for those state any damage caused by removal would not be covered. So they wanted confirmation that AXA would cover any damage to those appliances on removal/reinstallation.

### **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.

#### The removal and installation process

Given AXA has agreed to fund the removal and installation, it will need to meet any costs of doing so. I also think it's reasonable that the kitchen be checked for damage before reinstalled in line with what the manufacturer set out. AXA will need to replace, as new, any damaged items. And if any damage is caused to appliances as a result of the removal and reinstallation, then AXA would also be responsible for meeting the costs of that damage.

#### The payment in lieu of a warranty

I realise this is very contentious for both parties, and the parties are opposed on their views on how practical it would be for AXA to step into the shoes of the warranty provider. Whilst I've taken on board AXA's comments regarding the value of the warranty and likely success of a claim payout, as well as its offer of £4,000 in lieu of the warranty, the fact remains that Mr and Mrs F will lose the value of the manufacturer's warranty – on an expensive kitchen – owing to AXA's failures on the claim.

I'm not satisfied AXA agreeing to cover the warranty really does put Mr and Mrs F back in the position they'd have been in, but for its mistake. As such I've sought to address Mr and Mrs F's concern about having an ongoing relationship with AXA, with my view that replacing the entire kitchen with a new one would be disproportionate. It is for that reason I require AXA to make a payment in lieu of the warranty. AXA's comments haven't persuaded me that my suggested figure of £8,000 is an unreasonable amount. I accept that it might never need to be used, but there is also a possibility that the warranty might have been needed in the

future and any award I make doesn't cover the full amount. And in that respect Mr and Mrs F may stand to lose out. As such, to balance all of that I require AXA to pay £8,000 in lieu of providing a warranty.

### Compensation

I do appreciate how difficult the situation has been for Mr and Mrs F, but I don't intend to increase the compensation beyond £3,000. I accept this has been a protracted matter, but I am satisfied that an award of £3,000 is appropriate in this case and is in line with awards this Service has made in similar cases.

### Alternative accommodation

Whilst I accept Mr and Mrs F's comments in relation to the uncertainty over this amount – until it's known how long they'll be out of the property. In terms of resolving this complaint, I'm not going to require AXA to anything further. But I expect that the parties will work together on discussing alternative accommodation payments once a decision has been issued on this complaint and the way forward with the claim is agreed.

### Legal fees

Whilst I understand it will be disappointing to Mr and Mrs F, I'm not going to require AXA to reimburse their legal costs. I understand the parties were in dispute about the way forward in the claim, and the lack of warranty was a part of that. I've also taken into account that it was AXA who had consulted its solicitors about the transferability of the warranty, to seek its advice. However, whilst I've proposed a cash payment in lieu of the warranty, I'm not satisfied that the warranty issue was the sole reason Mr and Mrs F's solicitors were appointed, that was done in part I think because Mr and Mrs F wanted a new kitchen to be installed, which I haven't been persuaded is fair to award.

AXA's handling of the flooring matter was poor. However, it didn't refuse to take *any* action to put matters right once it was realised the flooring was defective. So I don't think it's the case that, but for Mr and Mrs F's solicitors' intervention, AXA would've refused to move matters forward at all. And whilst AXA did seek advice from its solicitors, I'm not persuaded it effectively appointed them in defence of the complaint, such that Mr and Mrs F were forced to engage with those solicitors, with AXA refusing to deal with them directly anymore. As such, whilst I recognise the disappointment it will cause to Mr and Mrs F, I'm not going to require AXA to reimburse those costs.

### **My final decision**

My final decision is that I require AXA Insurance UK Plc to:

- Remove and reinstall the kitchen, once the flooring has been resolved. If any part is damaged by the removal process, it will need to be replaced as new.
- Repair or replace any appliance damaged as part of that removal and reinstallation process.
- Pay (once the installation process is complete) Mr and Mrs F £8,000 in lieu of providing a warranty for the kitchen.
- Pay Mr and Mrs F a total of £3,000 compensation for the unnecessary distress and inconvenience caused, less any amount already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 23 September 2025.

Michelle Henderson  
**Ombudsman**