

The complaint

Mrs M and Mr M complain about AXA Insurance UK Plc (“AXA”) and the handling, and settlement, of the claim they made on their home insurance policy.

Mrs M and Mr M have been represented by Ms W during the claim and complaint process. So, when referring to Ms W, I have done so on the assumption her comments, or actions, were representing those of Mrs M and Mr M.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, in June 2024, Mrs M and Mr M discovered a significant escape of water at their property. So, they contacted AXA, the underwriter of their home insurance policy, to make a claim. AXA instructed a loss adjustor, who I’ll refer to as “C” to manage the claim on their behalf. As C were acting as an agent of AXA, AXA remain responsible for their actions. So, any reference to AXA will also include the actions of C where appropriate.

Ms W represented Mrs M and Mr M throughout the claim. And Ms W engaged in protracted conversations with AXA regarding the claim, which ultimately led to Ms W accepting a cash settlement in January 2025. But Ms W was unhappy with the way the claim had been handled and settled. And she raised several complaints over the lifetime of the claim.

These included, and were not limited to, the following:

1. Delays in agreeing to alternative accommodation
2. Delays in authorising the drying work which caused additional damage
3. AXA’s denial of Mrs M and Mr M’s right to appoint their own surveyor
4. A lack of transparency regarding the costs of the repairs proposed
5. Feeling forced to accept a cash settlement under duress
6. AXA’s refusal to disclose final claim costs; and
7. A failure to offer like for like appliances

AXA responded to the complaints over separate responses. In summary, AXA set out why they felt they had acted fairly through the claim considering the protracted requests from Ms W and were satisfied the options presented to settle the claim were fair. So, they didn’t offer to do anything more. Ms W remained unhappy with this response, so she referred the complaint to us.

Our investigator looked into the complaint and upheld it in part. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, they explained why they felt AXA had acted fairly when progressing the claim, putting forward the cash settlement offer, and the level of information presented alongside it.

But they weren’t satisfied that AXA had offered a cash settlement that provided Mrs M and

Mr M with the funds needed to replace their dishwasher, and fridge freezer, in line with the policy terms and conditions. So, they directed AXA to recalculate this aspect of their offer based on retail rates and, if this resulted in an additional amount being payable, apply 8% interest to this amount from the date of the original settlement offer to the date of payment.

Ms W didn't agree. And she provided extensive comments setting out why. In summary, Ms W maintained that AXA had failed to supply her, and so Mrs M and Mr M, with the appropriate level of information regarding the repairs, and what these would cost, that allowed them to make an informed decision on whether to use AXA's own contractors. So, she set out why this left them with no choice to accept the cash settlement offer, which was below the quotes they obtained from their own private contractors.

Ms W also set out why she felt AXA had unfairly refused to cover the costs of appointing their own surveyor and reaffirmed her belief that AXA had failed to confirm the full claim cost, preventing Mrs M and Mr M from being able to disclose this to future insurers.

Our investigator considered Ms W's comments, and they responded explaining why their outcome remained unchanged. Ms W continued to disagree and so, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out what I've been able to consider, and more importantly, how. I recognise Ms W has raised several, in depth concerns about AXA, and the service they have provided, through the lifetime of the claim. And I want to reassure her I've carefully reviewed all the information and evidence that has been made available to me, as well as all the points she has raised.

But in line with our services informal approach, as an alternative to the courts, I won't be commenting on every point Ms W has raised, or every piece of information I have seen, or relied upon. Instead, my decision will focus on the points I'm satisfied are pertinent to the decision I've reached. This isn't intended as discourtesy to Ms W, and so Mrs M and Mr M, and their lived experience through the claim journey.

In this situation, I recognise our investigator summarised Ms W's concerns in seven complaint headings and I can't see Ms W, and so Mrs M and Mr M, raised objection to this. So, I will follow the same structure for ease of reading, and continuation.

And when considering these seven headings, I note in response to our investigators view, Ms W provided no direct pushback to the recommended outcome for headings 1 and 2, relating to her concerns about the alternative accommodation and the authorisation of drying works. So, I'm satisfied it's reasonable for me to assume these points no longer remain in dispute and so, I don't intend to discuss their merits in significant detail.

But for completeness, I want to provide a brief summary of my own conclusions. Having reviewed the evidence available to me, against our services own approach, I'm satisfied AXA acted fairly, and within a reasonable amount of time, to validate Mrs M and Mr M's

request for alternative accommodation, waiting for the results of an air test to confirm the property's uninhabitability. While I don't doubt Mrs M and Mr M would have hoped to have been in alternative accommodation sooner, there is an expected level of difficulty to arrange alternative accommodation similar to the one they required, considering the number of people and pets that needed to be accommodated. So, I can't agree that AXA acted unfairly for this point.

The same can be said for heading two. While I recognise it took some time to begin the full drying works required to the property, I note much of this delay was caused due to Ms W's request for their own contractor to complete these works, rather than a contractor appointed by AXA. In line with standard industry approach, AXA are entitled to validate any costs and works required before approving them and I'm satisfied they took reasonable and timely steps to do so. I've also seen no evidence to show the time taken led to additional damage that wouldn't have already been caused by the significant escape of water itself. So, I won't be asking AXA to do anything more for these points.

I then turn the complaint points that do remain in dispute. And I've listed them under separate headings for ease of reading.

- *AXA's denial of Mrs M and Mr M's right to appoint their own surveyor*

I note Mrs W isn't stating AXA denied Mrs M and Mr M the option of appointing their own surveyor. But instead, she has raised concerns about AXA not agreeing to bear the cost of this appointment, as it's not mentioned with the policy terms and conditions.

I must be clear that our service wouldn't expect an insurer to list every cost they will, and will not, cover within their terms and conditions as it wouldn't be feasible to do. So, this in itself doesn't mean AXA have acted unfairly.

And when considering AXA's refusal to cover this cost, I'm satisfied this was a fair stance to take, that falls in line with standard industry approach and what another insurer is most likely to have done, in the same situation. This is because an insurer is entitled to manage the claim as they see fit, and this includes the instruction of industry experts, such as an independent surveyor. In claims like Mrs M and Mr M's, I'm satisfied an inspection by a surveyor was required, to understand the scope of the claim and the repairs that would be required. And I would expect AXA to bear the cost of this as a claim cost, which is what they have done.

If Mrs M and Mr M wanted their own surveyor to be appointed, in addition to the one appointed by AXA, then this would be for their own gain and reassurance, rather than a necessity for the claim itself to progress. So, I'm satisfied AXA were fair when not agreeing to cover this cost when they did.

That being said, I'm glad to see AXA contained a provision for project management/surveyor costs within their cash settlement offer, to recognise the end of theirs and their surveyor's involvement once the cash settlement had been paid. I'm satisfied this allowed Mrs M and Mr M to appoint their own surveyor at this time, where one was no longer provided and instructed by AXA themselves. So, I'm not directing AXA to do anything more for this aspect of the complaint.

- *A lack of transparency regarding the costs of the repairs proposed*
- *Feeling forced to accept a cash settlement under duress*

I'm addressing these complaint points together as I'm satisfied they are intrinsically linked and so, to prevent repetition. I'm also satisfied they represent the crux of Ms W's concerns,

raised on behalf of Mrs M and Mr M.

I note Ms W believes AXA failed to provide reasonable and transparent cost information regarding the repairs their contractor, who I'll refer to as "X" would complete. Specifically, costing surrounding the granite worktop and kitchen units. So, as she felt this information wasn't transparent, she feels Mrs M and Mr M were ultimately forced into accepting a cash settlement under duress, as they were unable to quantify the financial burden on them should they agree to proceed with AXA's authorised repairs.

But having read the evidence and information provided to me, I'm unable to agree. As Ms W has already expressed an acceptance of this in her communication following our investigators outcome, AXA have no obligation to provide her, and so Mrs M and Mr M, with a fully costed scope of works that details the amount they would pay X to complete the required repairs.

This is because X would have been completing these works under a commercial agreement with AXA and so, this information was commercially sensitive.

But what I, and our service, would expect AXA to do is to ensure Ms W was provided with an uncosted scope of works and clarity around what work would be undertaken. And I'm satisfied they did here.

While I note Ms W feels X were unable to complete the work required as they couldn't provide a granite worktop and so, a like for like replacement, I must note it wasn't X who wouldn't supply this, but instead the potential kitchen supplier themselves. Having reviewed the file, I'm satisfied AXA were willing to ensure a granite worktop replacement was provided, if it was necessary to do so.

But crucially, I've also seen that AXA's own surveyor made it clear their opinion was that the granite worktop may be able to be removed, and restored, without a replacement being required. And, that this was made reasonable clear to Ms W.

I'm also satisfied AXA made it reasonably clear to Ms W how they had considered the matching sets term in the policy, and how this impacted the replacement of Mrs M and Mr M's kitchen. While I recognise Ms W wanted confirmation of which units would be replaced as damaged, and which would require a contribution from Mrs M and Mr M, I'm not persuaded that it would be reasonable for AXA to know this information for certain, until the repair works began. This is because it's not unusual for additional repair works to be found when strip out works and initial repair works begin.

So, I'm satisfied Ms W, and so Mrs M and Mr M, were made reasonably aware of the potential eventualities regarding the worktop and the kitchen units and I don't agree that AXA failed to provide them with the necessary information to make an informed decision.

And when considering the cash settlement itself, I'm satisfied AXA did more than I would expect them to do when making, and then explaining, this offer to Ms W. I'm satisfied AXA provided detailed costings explaining why the cash settlement offer was being made, with direct reference to a 25% provision for the granite worktop while considering betterment and a 75% contribution to the kitchen replacement, as they were unable to determine which units were and were not damaged to the point they couldn't be restored.

So, I've not been persuaded AXA's information provided to Ms W lacked transparency. Or that it caused Mrs M and Mr M to accept the cash settlement under duress.

Instead, I'm satisfied AXA made it more than clear to Ms W, and so Mrs M and Mr M, that

they were still prepared to complete the repair work themselves using X. And, that if this was agreed, this work would be guaranteed. Despite this, Mrs M and Mr M ultimately chose to take the cash settlement.

And as Mrs M and Mr M chose the cash settlement, rather than the repairs, this then impacts the limit of the cash settlement and what our service would expect it to cover. Where a consumer has the option of a repair through an insurer, but chooses a cash settlement, our service finds it reasonable for an insurer to only offer a cash settlement equivalent to what it would cost the insurer to complete the repairs themselves.

This falls in line with the policy terms and conditions, which explains “*where we can offer repair or replacement through a preferred supplier, but we agree to pay you a cash or cash alternative settlement, then payment will not exceed the amount we would have paid the preferred supplier*”.

Having reviewed the evidence and the settlement, I’m satisfied the cash settlement paid by AXA fell within the approach, and terms and conditions, outlined above. While this was less than the quotes Ms W obtained from contractors directly, this is always likely to be the case as Ms W’s quotes would be based on full retail rates, rather than the preferential commercial rates insurers have with their own preferred contractors. So, because of all the above, I’m not directing AXA to do anything more regarding these heads of complaint.

- *AXA’s refusal to disclose final claim costs*

I recognise why Ms W would want this information, to ensure Mrs M and Mr M had the correct information to provide to new insurers. But I must be clear AXA only have an obligation to provide the overall final claim cost. There is no obligation for them to provide an itemised breakdown of these costs, as again it will include commercially sensitive information relating to commercial rates.

In this situation, I’ve seen emails from AXA to Ms W that satisfy me she has been provided with an overall claim cost. And her dispute appears to be centred around wanting a breakdown of these costs to show how much different fees, such as surveyors fees etc, cost to the claim. As I’ve outlined above, this isn’t something AXA need to provide, nor is it something I will be directing them to do.

But if Ms W still feels as though she requires further clarity on the overall claim cost to the policy itself despite me being satisfied this has already been provided, I would expect AXA to engage with any future requests to ensure a global, final claim cost is communicated to Mrs M and Mr M so they can disclose this accurately to future insurers.

- *A failure to offer like for like appliances*

I note Ms W has disputed the amounts included within the cash settlement for the dishwasher, and fridge freezer. So, I’ve considered whether the settlements included meet the terms and conditions of the policy AXA provided.

These policy terms and conditions explain that “If your dishwasher...refrigerator...or freezer are damaged and you require a full replacement we will, where you agree, replace them with an equivalent appliance which has an Energy rating of A.

In this situation, Mrs M and Mr M chose a cash settlement and so, I would expect any cash amount to be equivalent to the retail replacement value, namely the amount Mrs M and Mr M would need to replace the appliances.

But crucially, this should be to ensure they could be replaced with an equivalent appliance based on an “A” energy rating. The terms and conditions do not specify that this replacement is obligated to be of the same make, model, or colour.

Having considered the replacement models AXA used to determine the cash amount offered, I’ve not seen evidence that satisfies me these models met the requirements for an energy rating of A. So, I’m satisfied they acted unfairly, and outside of the policy terms and conditions, when doing so and I’ve then turned to what AXA should do to put things right.

Putting things right

When deciding what AXA should do to put things right, any award or direction I make is intended to place Mrs M and Mr M back in the position they should have been in, had AXA acted fairly in the first place.

In this situation, had AXA acted fairly, they would have calculated the cash settlement amounts for the dishwasher, and fridge freezer, based on equivalent replacement with an energy rating of “A”. So, this is what they should now do.

And if this results in an additional payment being owed to Mrs M and Mr M, they should pay this plus 8% simple interest on this amount from the date of their original cash settlement to the date of payment, to recognise the time Mrs M and Mr M have been without access to those funds unfairly.

But this is all I am directing AXA to do on this occasion. While I recognise this is unlikely to be the outcome Ms W, and so Mrs M and Mr M were hoping for, I hope it brings some closure to a situation that has been ongoing for some time.

My final decision

For the reasons outlined above, I uphold Mrs M and Mr M’s complaint about AXA Insurance UK Plc and I direct them to take the following action:

- Recalculate the cash settlement for the replacement of Mrs M and Mr M’s dishwasher and fridge freezer to ensure it’s based on equivalent replacements with an “A” energy rating; and
- If this requires an additional amount being owed to Mrs M and Mr M, add 8% simple interest to this amount from the date of their original cash settlement to the date of payment.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs M and Mr M to accept or reject my decision before 10 December 2025.

Josh Haskey
Ombudsman