

The complaint

Mr T complains AXA Insurance UK Plc didn't handle a claim against his home insurance policy fairly.

What happened

The Investigator set out her recommended outcome and her reasons for it as follows:

"The complaint"

Mr T is unhappy with how AXA handled a claim following an escape of water in July 2024. He says there were significant delays in progressing the claim, poor communication throughout, and failures in managing the asbestos risk during drying. He says he was exposed to unnecessary harm when a ceiling later collapsed, additionally, he disputes AXA's decision to reduce the claim settlement by 3% and is dissatisfied with how the agreed compensation payments were handled.

My findings

I've looked at all the evidence available, including the claim timeline, complaint history, and the statements made by both parties. I've focused on whether the claim was handled fairly and whether the service provided reflected what I'd expect in the circumstances. Mr T has also raised concern about the 3% reduction applied to his claim. So, I've looked at whether the insurer acted fairly in applying a proportional settlement.

Claim Settlement – proportional deduction

AXA has applied a 3% proportional reduction to Mr T's claim due to underinsurance. They've said the policy was rated on the basis that four adults and two children lived in the property, but during the claim they discovered there were actually six adults. I've now seen the renewal documents which included the question "how many people occupy the property?" and the accompanying statement of fact confirming this was answered as "4 adults, 2 children."

The policy booklet clearly states:

"Please make sure the information is still true and factually correct as claims could be reduced or rejected if it isn't. Where information provided by you is purposely withheld or misrepresented, our insurers may void your policy."

AXA has also shared its underwriting rationale, which explains that occupancy levels affect the assessed risk – particularly in relation to wear and tear on plumbing, increased claims frequency, and exposure liability. The difference between the paid and required premium equated to around 3%, and I've seen the breakdown that supports that. So, I think it was fair for AXA to apply a 3% proportional settlement

under The Consumer Insurance (Disclosure and Representation) Act 2012 (CIDRA). I won't be asking them to revisit that part of the complaint.

Claim handling and service

Although the claim was ultimately accepted and paid, I'm persuaded the handling of the claim fell short. From their own internal records, it's clear Mr T reported that part of the ceiling had collapsed and expressed concerns about potential asbestos. Despite this, drying equipment was installed and used before any asbestos survey was completed.

That was a lapse in risk management, especially given that the property was part of [a scheme], housing vulnerable adults. The business's own timeline confirms that asbestos inspection didn't take place until 9 [August], meaning the equipment was running for at least a week beforehand. I've also reviewed photographs showing the ceiling collapsed into the lounge, and AXA didn't provide any evidence that Mr T was warned to avoid the affected room in the interim.

This led to the ceiling collapsing during use of the room, potentially exposing household members to potential asbestos, there's no medical evidence of physical harm but Mr T has explained to us that the impact and disruption was significant.

AXA did respond quickly at the start of the claim; the initial engineer isolated the source and arranged a surveyor visit. But after that, there were periods of poor communication, missed handovers, and repeated chases from Mr T. Restoration works weren't complete until late October, nearly four months after the claim began. That's an extended amount of time to be without use of essential parts of the home, especially in a supported housing context.

Goodwill payments and redress

AXA said it had agreed to pay Mr T £100 in August, £100 in October, and £150 in January. A total of £350. But I've only seen proof that £200 was paid in October. The August £100 wasn't actually paid when promised, it was included in the October transfer instead. The January £150 also wasn't paid at the time it was offered. This only came to light after I requested internal payment evidence.

In light of this, AXA has now paid a further £100 using [payment system], bringing the January payment to £250, and the overall compensation to £450, and I'm satisfied this resolves the earlier shortfall.

Conclusion

I'm upholding this complaint in part.

I'm satisfied AXA acted fairly when it applied the 3% deduction to the settlement. The renewal pack asked Mr T how many people lived at the property, and I've seen the statement of fact showing this was answered incorrectly as 4 adults and 2 children. AXA has supported its decision with underwriting evidence, and I've seen enough to conclude the reduction was fairly applied under The Consumer Insurance (Disclosure and Representation) Act 2012 (CIDRA). So, I'm not asking AXA to revisit the claim outcome.

But I do think there were clear service failings in how the claim was handled – particularly around delays, communication, risk control, and distress caused when

part of the ceiling collapsed. I've also seen that Mr T had to repeatedly chase the compensation payments offered, and these weren't paid when promised. I've noted that he also asked for a written apology in his complaint.

AXA has now paid £450 total compensation, and while that's close to what I'd expect in a case like this, I don't think it fully reflects the overall impact. The household was vulnerable, and I'm persuaded that the drying process, asbestos oversight, disruption, and delays would've had a significant emotional toll.

So, I'm recommending AXA pay a further £100. That would bring the total compensation to £550, which I consider fair in the circumstance and in line with our guidelines for cases like this."

AXA accepted the Investigator's recommendation. Mr T didn't. He accepted what the Investigator said about the 3% deduction but considered more compensation was appropriate. He explained, in brief, AXA has shown a lack of care and due diligence along with incompetence and bad communication and pointed out the impact of the asbestos and the ceiling falling had on him. Mr T also said he hadn't received a payment in October 2024.

The Investigator considered what Mr T had said and responded as follows:

"Thanks for coming back to me and setting out your concerns in detail. I can see how disappointed you are with the outcome, and I do want to make sure everything you've said has been properly considered.

Goodwill payments

You mentioned that you haven't received compensation payments AXA said they'd paid. I've reviewed the evidence AXA gave me, and I've seen confirmation that a payment of £200 was made by BACS on 25 October 2024 to an account ending in [account numbers]. That appears to have covered both the £100 offered in August and the £100 offered in October.

When AXA reviewed their internal records more recently, they found the £150 payment offered in January 2025 hadn't been issued either. As a result, they've now added another £100, meaning you're now to receive £250 through [payment system], on top of the previous £200. This brings the total compensation to £450.

Why I've said £550 in total is fair

I understand you feel this amount doesn't reflect what you went through. In particular you've said you were exposed to asbestos and that the ceiling collapsed on you. I've taken those points seriously, and I want to be clear I haven't overlooked them.

- AXA initially delayed allocating your claim and didn't complete asbestos checks before starting drying works – which meant the equipment had to be stopped partway through and prolonged disruption.
- You said the ceiling later collapsed while you were in the room. I've seen photos, and AXA also recorded the incident. I understand you hurt your arm and side, and that this caused distress. But I haven't seen any evidence of the injury.
- The test results showed small amounts of asbestos were present. So, I can't say AXA exposed you to a proven health risk, and there's no evidence of harm at this stage, so we can't award compensation for potential future impact.

Taking everything into account, including the delays, the ceiling collapse, and the time and stress involved in chasing, I've recommended AXA pay £550 in total. I'm satisfied that's in line with our general approach and reflects our compensation guidelines for the level of service failings you have experienced.

My role is to take a fair and balanced view based on the evidence available, and to make sure both sides are treated reasonably. I've looked at everything that has been provided by you and AXA and I've used our guidelines and general approach as a Service to help decide what's appropriate in a situation like this, but if you do have any further evidence I can certainly consider this.

I want to also point out that you have raised further concerns and I will be opening a second complaint for this and viewing this separately to this one.

I hope this helps clarify how I've come to my view, please let me know how you would like to proceed."

Mr T remained of the opinion more compensation is appropriate, so the complaint has been passed to me to decide.

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 agree with the Investigator's recommended outcome and her reasons for it and have nothing material to add. Claims of this nature inevitably cause distress and inconvenience. AXA did let Mr T down at times, and so compensation is appropriate. But I find £550 compensation – in total – fairly and reasonably reflects the distress and inconvenience he was caused.

If Mr T remains of the opinion AXA hasn't paid him the compensation it says it has, I would suggest he provide AXA with a copy of his bank statement so it can look into the matter. I'm also aware Mr T has had a further escape of water. I understand the Investigator is considering what happened regarding that claim as part of a new complaint, so I won't comment on it here.

My final decision

I uphold this complaint and require AXA Insurance UK Plc to pay Mr T £550 compensation – in total – in recognition of the distress and inconvenience he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 October 2025.

James Langford
Ombudsman