

The complaint

Ms H complains about AXA Insurance UK Plc (“AXA”) and the advice they provided to her when she made a claim on her home insurance policy.

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, Ms H held a home insurance policy, underwritten by AXA, when the render to her property was damaged during a storm. So, she contacted AXA to make a claim.

AXA declined the claim for damage to Ms H’s property. And when Ms H queried the damage caused to a third-party car by the falling render, she was told a third-party couldn’t claim for damages on the insurance policy she held.

But some months later, the third-party raised a claim against Ms H for the excess they had needed to pay when repairing the car through their own insurer. And AXA contacted Ms H to explain a liability claim had been raised. Ms H was confused, and unhappy, about this, so she raised a complaint.

In summary, Ms H felt the advice AXA provided her when she raised her claim was incorrect. And she felt this mis-advice had impacted how she had handled follow on events as well as creating a sense of shock and confusion for her when AXA made her aware of the liability claim.

AXA responded to the complaint and upheld it. They accepted they failed to discuss the possibility of a liability claim with Ms H, although they reaffirmed they were correct when explaining the third-party couldn’t claim for damages on the policy Ms H held. And they accepted they could have been clearer with Ms H that they had opened a liability claim following contact from the third-party solicitors. So, they offered to pay Ms H £50 to recognise the distress and inconvenience she had been caused. Ms H remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator noted AXA had accepted their failures. But they didn’t feel the £50 compensatory offer was enough to recognise the impact caused to Ms H. So, they recommended it be increased to £150 in total. AXA accepted this recommendation. But Ms H didn’t.

In summary, Ms H didn’t feel this amount was enough to recognise the time and effort she had spent engaging with the third-party claim brought against her, or the potential £850 loss the third-party was seeking. So, she wanted the compensation to be increased to recognise this.

Our investigator considered Ms H’s comments, but their view remained unchanged. And

they reiterated the scope of their investigation, explaining Ms H's complaint about AXA's decline of her own storm claim fell outside of our services jurisdiction, as AXA had provided a complaint response more than six months before Ms H came to us. They also explained any complaint Ms H had regarding the way AXA handled her liability claim would need to be raised with AXA first through their own complaint process, before our service could consider separately if required. Ms H 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 make it clear what my decision has been able to consider. I recognise Ms H raised a previous complaint with AXA about the decline of the claim she made for the damage to her property. But AXA provided a final response to this complaint more than six months before Ms H contacted our service. So, in line with the rules we work within that are set by the industry regulator, this isn't a complaint issue I'm able to consider, or comment upon, within this decision.

I also recognise that Ms H has raised concerns about how AXA have handled the liability aspect of her claim, and the time and effort she's needed to use to engage with this process as someone who is self-employed. To date, I can't see this is a complaint that has been raised with AXA directly and before our service can consider them, these issues must be presented to AXA with them being afforded an opportunity to handle within their own complaint handling process. So again, this isn't something this decision will address, nor has it impacted the decision I've reached.

Instead, my decision will focus solely on the complaint points Ms H raised that were addressed in AXA's complaint response issued on 13 January 2025. Namely, Ms H's unhappiness with the advice AXA provided to her regarding the damage to the third-party car when her claim was raised and the confusion she was then caused when AXA contacted her to discuss the claim brought to them by the third-party solicitors.

And I note that AXA have already accepted their failings regarding both these points, offering Ms H a compensatory payment of £50 to recognise the impact their failings created. As AXA have accepted their failings here, I'm satisfied the merits of Ms H's complaint no longer remains in dispute. So, I don't intend to discuss the merits in detail.

But for completeness, I want to make it clear having reviewed the information that I'm satisfied AXA failed to discuss the possibility of a liability claim against Ms H's policy when she discussed the third-party damage. I would have expected AXA to explore this with Ms H further, which it's clear they didn't do. But I must also make it clear AXA were correct when explaining the third-party couldn't claim for the repairs to their car on the policy Ms H held.

I also recognise how this failure by AXA to provide all the relevant information resulted in Ms H feeling confused, and frustrated, when she was then made aware AXA were dealing with a liability claim that had been brought to them by the third-party solicitors. So, as I'm satisfied AXA have acted unfairly, I've then turned to the point I'm satisfied does remain in dispute, which is what AXA should reasonably 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 Ms H back in the position she would have been in, had AXA acted fairly in the first place.

In this situation, had AXA acted fairly, they would have always made Ms H aware the third-party couldn't claim for the repairs to their car under the policy Ms H held. So, AXA's error didn't impact this point. But crucially, had AXA acted fairly, they would also have made Ms H aware of the liability cover the policy provided and exactly what this meant should the third-party make a claim for uninsured losses, such as the policy excess they paid, which is the case here.

Had AXA done this, I'm satisfied this would have prevented the confusion Ms H would have felt when she was informed by AXA months later that they were in fact handling a liability claim brought by the third-party. And as Ms H continued to engage with the third-party based on the understanding that the third-party couldn't claim against her at all, I'm satisfied AXA's mis-advice likely influenced some of the actions Ms H took during that time, including how proactive she was regarding responding to the third-party's suggestion she may wish to contribute to the excess payment.

Our investigator recommended AXA pay an additional £100, taking the total compensation offered to £150, to recognise the above. Having considered this recommendation, I'm satisfied it's a fair one, that falls in line with our services approach and what I would have directed, had it not already been put forward.

I'm satisfied it recognises the confusion, frustration and inconvenience Ms H has been caused by the accepted failures this decision has been able to consider. But I'm satisfied it also reflects the fact that AXA were correct when explaining the third-party damages wouldn't be covered by the policy and that AXA correctly opened, and investigated, a liability claim on Ms H's behalf. So, this is a payment I'm now directing AXA to make.

I understand this isn't the outcome Ms H was hoping for. And I want to reassure her I've carefully considered all the points she's raised, even if I haven't commented on them directly due to the informal nature of our service.

I do appreciate the distress Ms H has faced because of this claim has continued, as the third-party is continuing to chase her for payment of the £850 excess. And I recognise AXA may have already concluded this claim from a liability perspective under the policy they provide.

But this decision has only focused on the events that occurred up to the date of AXA's complaint response in January 2025, that impacted the issues this complaint response addressed. So, any impact caused to Ms H after this time hasn't affected the decision I've reached. As I've already explained earlier within this decision, should Ms H remain unhappy with other elements of service provided by AXA, she would need to raise these with AXA directly in the first instance.

My final decision

For the reasons outlined above, I uphold Ms H's complaint about AXA Insurance UK Plc and I direct them to take the following action:

- Make a payment to Ms H to ensure she receives a total compensatory amount of £150 to recognise the impact their failures created.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 29 October 2025.

Josh Haskey
Ombudsman