

## The complaint

Ms G complains AXA Insurance UK Plc (“AXA”) has provided poor service whilst handling her claim on her property insurance policy following an escape of water. She says this has caused her severe distress and inconvenience. She also says it’s unfairly declined to cover her claim for loss of rent which has left her significantly out of pocket.

All references to AXA include its agents.

## What happened

Ms G took out a property insurance policy in August 2022 covering her buildings and contents. Around December 2022, Ms G identified an escape of water which had caused extensive damage throughout the property. So she made a claim on her insurance policy which AXA accepted. At the time, Ms G owned two properties, one she lived in full time (“property 1”) and this new property she took out the policy with AXA to cover, which she visited at weekends (“property 2”). She’d planned to move into property 2 full time around March 2023 when she was due to start a new job. And she had signed up with a letting agent to let out property 1 from around the same time.

There have been extensive delays on the claim since it started and Ms G has been dissatisfied with the quality of the repairs carried out. Our Service already looked into what happened up until July 2024. So this case is about what’s happened between that date and December 2024 when AXA sent its final response letter only.

At the time the Ombudsman’s final decision was made, AXA said it was considering whether to cover a claim for loss of rent on property 1 as Ms G was unable to rent it out while the claim was ongoing. So the Ombudsman didn’t consider that part of the complaint. But ultimately, later, AXA declined Ms G’s claim for the loss of rent she’d experienced.

Ms G didn’t think this decision was fair. She explained had the escape of water not happened, she would’ve rented out property 1, earning around £1,850 per month. But she wasn’t able to as she had to pause her house move and remain in property 1 for longer than she planned. She also said AXA should’ve offered her alternative accommodation under the policy. And had it done so, she would’ve been able to live there and still rent out property 1. So she thought AXA should cover all of the rent she’d missed out on.

AXA didn’t change its mind on this point. It said it wasn’t liable to cover the loss of rent as it didn’t insure property 1. And it highlighted it had covered other expenses Ms G had, including the council tax and utility bills of property 2; travel expenses to and from property 2 and hotel bills when Ms G stayed in the area.

AXA’s given us its claim notes, loss adjuster reports and correspondence for this claim, including what happened after July 2024. These notes and correspondence show Ms G was in regular communication with AXA and its contractors about ongoing snagging issues. And AXA told Ms G her property repairs would be completed a number of times since July 2024 but this kept getting pushed back.

Ms G complained to AXA. It responded in December 2024 accepting its service had been poor and it offered her £100 to make up for this. It directed Ms G to contact the loss adjuster to move the claim forward but it still didn't accept her claim for loss of rent.

Ms G asked our service to look into her complaint. Our Investigator agreed the service since our last final decision had been poor and there had been long delays, for example when the loss adjuster assigned to Ms G's claim was off sick. And she accepted the quality of repairs weren't satisfactory and there were still issues outstanding. So she recommended AXA pay another £300 compensation. But she said she couldn't consider the complaint about the loss of rent as she thought our service had looked at it before.

Ms G didn't accept our Investigator's assessment as she didn't agree we'd considered the complaint about loss of rent and thought AXA should compensate her for this. She also flagged that the problems with her property were ongoing and the contractors weren't taking responsibility for putting things right. As the complaint wasn't resolved at that stage, it was passed to me to reach a decision on.

I issued a provisional decision in August 2025 which I've copied below:

*"I agree with Ms G that our service hasn't considered her complaint about the loss of rent, so I've considered it here.*

*Based on what I've seen so far in this case, I intend to uphold it in part. I do think AXA has treated Ms G unfairly in its handling of the claim. But I don't agree it should cover the loss of rent she's claimed. I know Ms G feels very strongly about this so she'll be disappointed. But I think it's the fair outcome in this case. I'll explain why.*

*Ms G says she's lost out on her planned rental income due to AXA's actions. She says it either should've covered her loss of rent under the terms of the policy or it should've provided her with alternative accommodation to live in. And had it done so, she could've still rented out property 1 and benefitted from the rental income. But because it didn't do so, she's lost out. I've considered each of these points in turn.*

#### *Loss of rent cover*

*I can see whilst Ms G had an agreement with a letting agent to let out property 1, she didn't have a confirmed tenant or a tenancy agreement in place. So I don't think it would be fair to direct AXA to cover a loss that Ms G can't show she actually incurred.*

*In any event, the terms of the policy say if a tenant can't live in the home due to an insured loss, AXA will pay the loss of rent up to £30,000. And "Home" is defined as the main building within the boundary of the insured address which in this case, is property 2. And Ms G didn't lose out on any rental income for property 2.*

*I appreciate due to Ms G's specific circumstances, the rent she says she's lost out on as a result of the claim is from property 1, but I'm not currently persuaded AXA should pay loss of rent outside of the policy terms.*

### *Alternative accommodation*

*Ms G's property (property 2) was uninhabitable from the date of the claim (December 2022) until around November 2024. And under the terms of the policy, Ms G was entitled to alternative accommodation paid for by AXA up to a maximum of £75,000 per claim for this period. Ms G argues that AXA declined to cover the cost of her living in alternative accommodation unfairly because she had another property she could live in. But at the moment, I don't agree.*

*I've looked very carefully through the contact notes between Ms G and AXA and the reports provided by the loss adjuster going back to the start of the claim. In the preliminary report, the loss adjuster highlighted that Ms G had planned to move to the risk address permanently, in line with the start date of her new job in March 2023. And it recommended AXA arrange alternative accommodation in the area for her.*

*Shortly after this report, in March 2023, around the time Ms G had originally planned to move into property 2 and start her new job, the claim notes say she'd spoken to AXA and confirmed she wouldn't require alternative accommodation in the area as, with everything going on, she'd decided to stay in her current employment.*

*In May 2023, Ms G asked AXA for some idea of when property 2 would be ready to move into. She explained the job she'd turned down was being re-advertised and she was trying to decide whether to re-apply for it. She explained at that point, her decision depended on when the property would be ready to live in. But I don't currently consider she showed any indication she wanted AXA to arrange alternative accommodation at that point. Following this, Ms G asked AXA to cover her travel and hotel expenses when she visited property 2, her council tax bill for the property and her utility bills. But again, there was no mention of relocating to the area and staying in alternative accommodation.*

*Based on what I've seen so far, I'm satisfied Ms G was aware she was entitled to alternative accommodation under the policy terms but she didn't want it. Had she wanted to benefit from that part of the policy, I currently think it's more likely than not, AXA would've agreed to it. And I think Ms G's change of plans and decision not to rent out property 1 was, understandably, due to the nature of the claim and not anything AXA did wrong.*

*In May 2024, Ms G flagged the loss of rent to AXA and asked it to cover the amount she would've earned. And whilst I'm not currently persuaded AXA should've covered these losses, I do consider it should've been aware at this point that Ms G may want to consider alternative accommodation and renting out her property going forward, to reduce her losses as a result of the claim. But instead, it focussed the discussion only on whether she was entitled to loss of rent cover under the policy terms, which ultimately it decided she wasn't.*

*AXA and Ms G went back and forth on this point for several months, during which time AXA asked for further information, for example a rental agreement. And it provisionally made offers which Ms G declined and it ultimately withdrew. But I think it's fair to expect AXA to have highlighted that Ms G was entitled to alternative accommodation at this point, so she could rent out property 1.*

*It's difficult to know if AXA had flagged this to Ms G in May 2024, whether she would've taken it. And even if she did, how quickly she would've been able to relocate to the area and rent out property 1. From what I understand, at that point she was employed in a different area and finding a tenant and moving out would've taken some time. I also note after property 2 was habitable in November 2024, she didn't move into it for a number of months.*

*Overall, I don't think it would be fair to direct AXA to cover the loss of rent Ms G thinks she would've had, even from May 2024 until property 2 was habitable again. But I do think it could've explained her options to her better. And by not doing so, it missed the opportunity to ease the obvious pressure on her at the time. So I've taken this, together with the expenses it did cover, into account when considering how to put things right.*

#### *Delays and customer service*

*AXA accepts it caused significant delays to Ms G's claim since our previous final decision. And from what I've seen in the contact and claim notes, it made repeated promises to Ms G about works that would be carried out and when the repairs to her property would be finished without sticking to them. There were also periods since July 2024 when very little movement was happening on the claim and Ms G wasn't given updates or answers to her queries despite them being discussed internally.*

*Ms G says she felt she had to stay on top of the claim and act as a project manager and I can see why she felt that way. This meant she had to take long trips away from where she was living to inspect the progress and quality of the repairs – and I can see why she felt she needed to. I note in its final response letter, when AXA accepted there were issues with the repairs, it directed Ms G to contact the loss adjuster herself rather than taking control of rectifying the outstanding issues which I don't think was appropriate.*

*I can also see there were other issues Ms G raised concerns with, for example AXA's contractors leaving her house insecure with windows and doors open. Ms G explained she was vulnerable and part way through the claim, she was struggling financially. And considering how long things had gone on for and how much had gone wrong, I think AXA should've expedited her claim and ensured the repairs were carried out as a priority. Instead, I think Ms G and AXA kept going over the same issues.*

*In her communication with AXA, Ms G made it clear she was waiting to know when the claim would likely be finalised before she applied for any new employment. So at the moment I'm satisfied she was made to put her life on hold for a long time because of the ongoing delays and poor communication about how long things would take.*

*AXA's agreed to compensate Ms G in line with our Investigator's assessment to make up for the customer service it's provided since July 2024. But I don't think that goes far enough to make up for everything I consider has gone wrong in this case. Instead, I think it should pay her a total of £1,500. This includes – and is not in addition to – any compensation it's already offered/paid her for the customer service it's provided between July 2024 and the date of its final response letter in December 2024.*

*I note Miss G complains she's had ongoing issues since she moved into her property and she's complained her guarantee for the works is too short. But this decision covers up until December 2024 when AXA issued its final response letter. So I suggest Ms G raises these issues with AXA in the first instance."*

I asked both parties to make any comments they wanted me to consider before I reach a Final Decision.

Ms G didn't accept my provisional decision. She said the compensation I'd awarded didn't reflect the seriousness of what went wrong. In summary she said:

- She wasn't offered alternative accommodation at any stage and AXA didn't explain how to access this benefit, even after she raised it later in the claim.

- The property was uninhabitable from December 2022 until late 2024 and AXA breached the terms of the policy by failing to arrange, offer or explain alternative accommodation to her.
- AXA's failure to provide alternative accommodation meant she had to turn down her new job as she had nowhere to live. This, alongside the insured event left her in financial difficulty which she considers AXA is responsible for.
- AXA breached the Financial Conduct Authority ("FCA")'s principles to treat customers fairly and provide clear, fair and not misleading information. And AXA didn't handle Ms G's claim promptly.
- AXA should provide written evidence it offered alternative accommodation to her.

Ms G also provided a great deal of detail about issues she's still having after having her property returned to her in March 2025. She says the repairs which were carried out in her property weren't satisfactory due to defective workmanship, including paint finishes, electrical faults, inadequate silicone sealing and improperly installed kitchen fittings. Ms G considers these issues form part of her existing complaint as it's about the same property and the same insured peril. And she requested I direct AXA to appoint an independent surveyor to inspect the property, instruct a new contractor to carry out works and provide a defects warranty of at least 24 months.

Following Ms G's response to my provisional decision, I asked AXA to provide more information. In particular, I asked it for a recording of a call I'd referred to in my provisional decision from around March 2023.

AXA said due to the time that's passed since the call, the recording. It also highlighted a few different contact notes in which it said it discussed Ms G's living arrangements with her. It said it advised Ms G it may have to offer her a rental when she started her new job as her property might not have been habitable by then. AXA didn't say whether it accepted my provisional decision or not.

### **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've reconsidered this complaint in light of the comments I've received and I've decided to uphold it in part in the same way set out in my provisional decision.

I appreciate Ms G has said AXA didn't offer her alternative accommodation or discuss this policy benefit with her. But AXA's given us its claim notes from throughout the claim period. And it's highlighted the call note from December 2022 when Ms G first made the claim. During this call, it was noted that alternative accommodation was unlikely to be required until March 2023 when she was due to start her new job.

In March 2023, AXA's call records show it called Ms G to discuss a number of things including how much it would pay to cover the cost of her hotel stays and emergency plumber. And during this call, the note says Ms G confirmed she didn't require alternative accommodation as she'd decided to stay in her old job. The note went on to say, with everything going on, Ms G couldn't cope with the idea of starting a new job as well.

I asked AXA for the recording of this call but due to how much time has passed, it hasn't been able to provide it. And I don't think that's unusual or unreasonable. I've seen nothing to make me think the call notes from the time of the calls are unreliable. So I'm satisfied AXA did discuss alternative accommodation with Ms G and although she initially considered it, due to the circumstances and impact of the claim, she decided not to go ahead with it.

So overall, I'm not persuaded AXA's actions prevented Ms G from moving out of property 1 and starting her new job. And from everything I've seen, had she wanted to benefit from alternative accommodation cover I think it's more likely than not, AXA would've agreed to it. So I'm not persuaded AXA's breached the FCA's principles to treat customers fairly and provide clear, fair and not misleading information for these reasons.

Ms G's highlighted a number of issues with the quality of repairs in her property and I'm sorry to hear she's still having difficulty. But this decision is about what happened between July 2024 and December 2024 when AXA sent its final response letter only and it seems from what Ms G's sent us, things have moved on since that point. So I can't consider any of the issues Ms G's now having since moving into the property.

I appreciate Ms G doesn't think the compensation I recommended in my provisional decision is sufficient. But I think that's because she thinks AXA needs to make up for things that I don't consider have gone wrong. Having reviewed things again, I'm satisfied the compensation I recommended is appropriate to make up the ongoing delays, the poor communication about how long things would take and for not explaining her options better in May 2024 when she asked about it covering her loss of rent.

Ms G says AXA hasn't met its obligations to deal with her claim promptly. And as explained above, I agree. But I think the compensation I'm directing it to pay makes up for this.

### **Putting things right**

To put things right in this case, I direct AXA to pay Ms G a total of £1,500 compensation. This includes – and is not in addition to – any compensation it's already offered/paid her for the customer service it's provided between July 2024 and the date of its final response letter in December 2024.

### **My final decision**

For the reasons given, I uphold Ms G's complaint in part and direct AXA Insurance UK Plc to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 9 October 2025.

Nadya Neve  
**Ombudsman**