

The complaint

Mr H is unhappy with the decision made by AXA Insurance UK Plc (AXA) following a claim made for damage caused by an escape of water incident.

S Homes and Mr H are both party to this complaint. Mr H also has a representative (Mrs H) dealing with the complaint on his behalf. Mrs H holds a power of attorney to make decisions on Mr H's behalf.

What happened

Mr H is a leaseholder of a property that has a buildings block insurance policy taken out by the freeholder (S) with AXA. The facts of this dispute are well-known to both parties. So, I haven't repeated them in detail here.

To summarise, Mr H noticed an escape of water around February 2022. A claim was made with AXA and AXA made several payments to cover alternative accommodation costs and travel expenses. AXA validated the claim and agreed a cash settlement of £58,900 in relation to the building damage. A power of attorney was granted in favour of Mrs H (Mr H's mother) who took over dealings for the claim.

AXA didn't release the cash settlement to Mrs H and said it would pay it to the freeholder. Mrs H complained but AXA didn't change its mind. AXA agreed the time taken to communicate this decision had been unreasonable and paid £200 compensation in recognition of this delay.

Mrs H was unhappy with AXA's response and brought her complaint to us. Mrs H said she completed repairs herself at the insured property for the escape of water damage at her own cost so that the flat could be sold. In January 2025 Mr H's flat was sold. AXA has confirmed the cash settlement amount has yet to be paid because of outstanding evidence it needs before considering payment for the claim.

One of our Investigators looked into the complaint but she thought AXA's decision was fair. Mrs H disagreed with our Investigator's view, and so the case has come to me to review.

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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Mrs H feels strongly that AXA has acted unreasonably by refusing to pay the cash settlement amount agreed for this claim. I've carefully considered Mrs H's comments. But I don't think AXA needs to do more to put things right at this time. I'll explain why.

At the time AXA issued its final response letter, it informed Mrs H that it would pay the cash settlement amount to the freeholder. This hasn't happened. AXA says the current claim position is that Mrs H needs to provide further evidence before it can satisfy itself that a loss has been suffered which it needs to pay for.

When a complaint is referred to the Financial Ombudsman Service it's not unusual for claim discussions to continue between the parties involved. It's not clear whether AXA has made the outstanding evidence known to Mrs H during our process. But having reviewed AXA's comments, and reasons for requesting further evidence, I'm satisfied AXA's request is proportionate, and in line with what we'd expect in the circumstances.

I've seen that one of the points of dispute between AXA and Mrs H concerns whether repairs were carried out to the insured property before it was sold. Mrs H has provided evidence to show that this was done. AXA has also raised a number of other concerns it has which need to be clarified before it releases payment.

It's not the role of this Service to act as claim handlers. And it's clear that on receipt of the outstanding evidence, AXA will need to rereview the claim and consider the impact on its decision to make payment for the claim. So, I don't see any merit in commenting on, at this time, the persuasiveness or credibility of the evidence Mrs H has provided. I think it would be fairer to both parties for AXA to deal with Mrs H directly with an update on the outstanding evidence it needs, and for Mrs H to provide this for it to be reviewed in support of the claim.

I don't believe this decision requires me to go into any further detail about the background of what has happened. But on balance, I'm persuaded AXA's request for further evidence is reasonable and in line with what we'd expect in the circumstances. I would urge AXA to act promptly and fairly in explaining what evidence remains outstanding, and once a decision is made, to communicate this promptly to Mrs H.

Should Mrs H be unhappy with AXA's response to the outcome of the claim once she has provided the additional evidence, she should raise these concerns with AXA to answer. Should she remain unhappy with its response, in line with our rules, that would be the subject of a new complaint. For the reasons explained, I won't be asking AXA to take any further action in response to this complaint at this time.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S and Mr H to accept or reject my decision before 1 January 2026.

Neeta Karelia
Ombudsman