

## The complaint

Mr O complains AXA Insurance UK Plc (“AXA”) has unfairly settled his claim for storm damage on his property insurance policy as he says the cash settlement offered is too low. Mr O’s also unhappy with the customer service AXA provided while handling his claim. All references to AXA include its agents.

Mr O has a representative but as the policy is in his name, I’ll refer to him only.

## What happened

In December 2024, a storm caused damage to the roof of Mr O’s property, a holiday let. This allowed water to enter his property and caused internal damage to the ceilings and walls in a number of rooms. There’s no dispute in this case over whether a storm occurred.

Mr O made a claim on his property insurance policy a few days later in January 2024. He explained at the time he had guests booked in in a few weeks’ time. AXA appointed a loss adjuster who I’ll call “LA1” to inspect the property around a week later. It seems LA1 also spoke to a roofing contractor at that time who provided an estimate of around £49,000 to carry out the necessary repairs. In his opinion, the roof needed replacing.

LA1 accepted the costs and submitted a report to AXA confirming they were reasonable. But AXA didn’t accept the cost of repairs quoted and asked LA1 to provide his validation scope around March 2024. This wasn’t provided and shortly afterwards, LA1 left the organisation and informed Mr O a new loss adjuster would be in touch.

In April 2024, a new loss adjuster (“LA2”) was assigned to Mr O’s claim. AXA’s given us the claim notes for this complaint. Between April and November 2024, Mr O repeatedly contacted AXA for updates and to speak to LA2. But LA2 rarely returned his calls and didn’t get in touch when she said she would. So Mr O raised a number of complaints throughout the claim. He explained the delays were impacting him as he wasn’t able to let out his property and he received complaints when he did. He explained he was worried about the additional damage the delay was causing to the property.

Around the end of June 2024, LA2 arranged for a surveyor to visit the property and validate the contractor’s quote. The surveyor’s report following the visit says the damage internally was minor, requiring stain blocking and redecoration. And they thought externally, much of the damage was due to wear and tear rather than due to storm damage. They didn’t agree the roof needed replacing and instead recommended the replacement of 20 roof tiles. So ultimately, AXA offered Mr O £5,500 to cash settle his claim.

At the end of July 2024, LA2 contacted Mr O to let him know about the new cash settlement offer. He said he couldn’t get the necessary works done for that amount and provided various quotes to support what he said. One of these quotes made references to poor workmanship when the roof was originally installed around 2016.

There was no further movement on the claim until around November 2024, when Mr O made a further complaint due to a lack of contact and progress. He also questioned whether AXA could carry out the repair works rather than paying a cash settlement. He explained he'd prefer this due to his health. At that point, AXA asked him for his bank details so it could make payment. It also declined to carry out the works itself as it didn't think it could carry out a long and lasting repair if further works were needed to address the wear and tear issues.

AXA upheld Mr O's complaints and paid him a total of around £650 as compensation for the poor service. But it maintained that the cash settlement was fair. And it said it would consider loss of earnings if Mr O could show he had confirmed bookings which had to be cancelled.

As Mr O remained unhappy, he asked our Service to look into things. In the meantime, it seems he arranged for works to his property to be carried out as he provided an invoice from around January 2025. He's explained he's out of pocket as AXA didn't cover the full amount.

Our Investigator upheld the complaint in part. She thought the cash settlement was fair as it covered the repairs to the storm damage and she didn't think the roof needed replacing. But she didn't think the compensation AXA had paid was enough to make up for the poor customer service. Mr O didn't accept our Investigator's view. He said he'd lost his rental income and he'd had to spend significantly more than AXA had offered to repair his property. So I issued a provisional decision in August 2025 which I've included a copy of below:

*"Based on what I've seen so far, I intend to uphold this complaint in part. I'll explain why.*

#### *Cash settlement*

*Mr O is unhappy with the amount AXA has offered to settle his claim and that's understandable considering he was initially given the impression he'd be paid significantly more. But the terms of the policy say it doesn't cover damage caused gradually or by poor quality installation. And that's not unusual as insurance policies are designed to protect against specific insured perils – in this case the storm.*

*So the key question for me is whether the cash settlement AXA has offered Mr O does this or whether the more extensive work Mr O was quoted for is required. And at the moment, I'm satisfied AXA's offer is fair.*

*Mr O's obtained a number of quotes but from what I've seen, they all seem to be to replace the roof and/or certain parts of the roof such as the waterproof membrane. AXA says whilst some roof tiles need replacing and some redecoration internally is needed, the damage Mr O's quotes address was caused by wear and tear and possibly poor installation. And it's provided its surveyor's report to support what it says.*

*I've looked carefully at the surveyor's report and the photos provided. I can see cracking and vegetation – moss – growing in between the tiles and one of the contractors Mr O received a quote from, said the damage was caused by poor workmanship when the roof was installed. So, at the moment, I'm not persuaded all of the damage Mr O's claimed for or the extent of the repairs he says are necessary are due to the insured peril. But instead I think AXA's view that the roof replacement is needed due to wear and tear and poor installation is fair. The terms of the policy say damage caused gradually or by poor installation isn't covered. So I currently think AXA's offer to cover the repairs to the storm damage is fair.*

## Secondary damage

Mr O claimed on the policy in January 2024 and it seems from the evidence both sides have given me, he was initially given the impression his claim for the cost of replacing the roof was going to be covered. I can see from AXA's claim notes and emails, around six months passed by the time AXA told Mr O the cash settlement amount was being significantly reduced. So up until that time, Mr O was still under the impression his claim was being paid in full and he just thought there were delays due to LA1 leaving. And from that point until around November 2024 when AXA asked for Mr O's bank details to make payment, the claim didn't move forward at all.

At the moment, I'm satisfied Mr O's claim went on for significantly longer than needed to. This is in part because AXA didn't investigate the damage and validate the claim appropriately when it was first made. But it's also due to AXA leaving the claim with no progress for months at a time. And during that time, Mr O repeatedly reported that the state of his property was getting worse.

I'm currently satisfied in this case that AXA should've carried out temporary repairs to Mr O's property when he first made the claim, to stop any further water ingress. Or at the least, it should've done so when it became clear the claim wouldn't be settled as quickly as it thought it would. And it could've offered Mr O the cash settlement around four months earlier than it did for him to get initial or temporary repairs done while they continued to look into and negotiate the full settlement.

Instead, at the moment I consider AXA left the water damage to get worse. In the claim notes, I can see AXA mentioned there was additional damage to the property caused by the water damage being left and in May 2024, it mentioned it was becoming an issue. Mr O also flagged it a number of times. And I think it's likely this would've increased the cost of the repairs Mr O paid for, around December 2024.

I appreciate AXA questioned why Mr O hadn't done anything to mitigate the damage around July 2024. Both he and his contractor said they were advised there wasn't any need as the claim would be paid soon. And considering they both gave this account, and that Mr O was under the impression his claim would be paid in full, I find what they've said plausible. So I'm not persuaded this limits AXA's liability.

I understand the repairs to Mr O's roof and inside his property have been carried out. So it's difficult to say what additional damage was likely caused by AXA failing to carry out temporary repairs to the property. But I currently think AXA should cover the reasonable cost of any repairs that were necessary to address the secondary damage caused. It should pay this upon evidence from Mr O – such as a letter from the contractor that carried out the repairs – explaining what repairs were necessary to address additional damage caused by the property being left for so long. For example, if there was any mould treatment or damp repair required. This should include an itemised breakdown of the costs for AXA to cover.

AXA may consider the additional damage was due to other damage – for example the wear and tear – not being repaired quickly enough, and not the storm damage. But I think this was left for so long because AXA led Mr O to believe the cost of replacing the roof would be covered for around seven months. So I don't currently think this changes the outcome here.

## *Customer service*

*AXA has agreed to pay Mr O a total of £1250 to compensate him for the delays it caused and the lack of communication and updates it provided about his claim. This includes the amounts it's already offered him in its various responses to his complaints. And considering the length of time his claim went on for at a time when he had serious health concerns and has said he was very vulnerable, I think this is fair.*

*But I note Mr O was told he'd be paid a significant cash settlement which would cover extensive repairs to his roof. And from what I've seen so far, I'm satisfied he would've been very disappointed that the offer changed so significantly – by around £45,000 – without warning and after such a long time. So I think this would've caused him severe distress when AXA could've managed his expectations better or ensured the amount claimed was appropriate in the first place. To put things right, I currently think AXA should pay Mr O an additional £500 to make up for this and for not clearly explaining things for several months.*

## *Loss of earnings*

*Mr O has said throughout his claim and complaint that he was losing out on earnings while the claim went on as he couldn't rent out his property which was a holiday home. AXA offered to cover his loss of rent if he could show that he had bookings which were cancelled as a result of the damage. And if Mr O's got evidence he cancelled bookings, I think he should forward this information on to AXA to consider. But I don't currently think that's enough in this case.*

*I'm satisfied this claim went on for much longer than it needed to due to AXA's error. And part of the time the claim was ongoing for was during the summer months which I presume would've normally been a busy time for Mr O's rental property. So I think the delays in this case would've significantly impacted Mr O. And I think it's unlikely he would've kept taking bookings and cancelling them throughout the claim period. Instead, I think it's reasonable to expect he would've stopped taking bookings while his property wasn't in a good condition.*

*I don't think it's fair in this case for AXA to only cover the cost of cancelled bookings. Instead, I think it should cover Mr O's lost expected earnings. If things had gone as they should've, AXA would've appointed a surveyor at the latest, in March 2024 and made Mr O the correct cash settlement offer at that point. Allowing time for the roof to be repaired, I think Mr O could reasonably have started renting out his property again around May 2024.*

*To put things right, I think AXA should pay Mr O the average profit he's lost out on between May and 18 November 2024 when AXA tried to pay him. Mr O needs to provide clear evidence to AXA showing his normal average profit between these dates since he started his holiday let, together with how much profit he did make between these dates in 2024, if anything. AXA should pay the difference plus 8% interest on this amount from the dates Mr O would've earned each amount to the date of settlement.*

*I know Mr O asked AXA to cover his lost rent for the period works were taking place in January 2025. But much of the works were carried out to address the non-storm damage. And these works would've always needed to have taken place, even if AXA hadn't done anything wrong. So I don't currently agree that would be fair in this case."*

*I asked both parties to make any further comments they wanted me to consider before I reach a Final Decision. AXA didn't respond by the deadline set. Mr O's representative confirmed Mr O accepted my provisional decision and had no further comments to make.*

## **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 looked at the response received from Mr O, I see no reason to change my conclusions set out in my provisional decision. So for the same reasons, I uphold Mr O's complaint.

## **Putting things right**

To put things right in this case, I direct AXA to:

- Cover the cost of repairing the secondary damage to Mr O's property as a result of leaving the water ingress untreated for so long. This is upon evidence, for example, a clear itemised breakdown from Mr O's contractor showing what repairs were necessary to address the additional damage. AXA should add 8% interest to this amount from the date Mr O paid for the repairs to the date of settlement.\*
- Pay a total of £1,750 as compensation to make up for the poor customer service Mr O received and the disappointment he would've felt from being told the cash settlement offer was being significantly reduced. This amount includes the £650 AXA has already paid Mr O as compensation for what's gone wrong.
- Cover the lost profit Mr O's experienced between May 2024 and 18 November 2024 upon evidence from Mr O of cancelled bookings and of his actual profit between those dates and his normal average profit from the same period in previous years. AXA should add 8% interest to these amounts from the dates the profits would've been made to the date of settlement.\*

\*If AXA considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Mr O how much it's taken off and give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs.

## **My final decision**

For the reasons given, I uphold Mr O's complaint 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 Mr O to accept or reject my decision before 10 October 2025.

Nadya Neve  
**Ombudsman**