

The complaint

Mr and Mrs F complain about the way AXA Insurance UK Plc has handled a claim they made on their home insurance policy for damage caused by subsidence.

As Mr F has been the main correspondent for the claim and complaint, I've only referred to him in this decision.

What happened

In 2018 Mr F made a claim on his home insurance policy having noticed damage to his conservatory and extension. AXA accepted a claim for subsidence and vegetation was identified as being the cause. The vegetation was removed in 2021 and a period of monitoring followed thereafter. AXA was satisfied the monitoring had shown the property to be stable and said it could move to carrying out repairs to the property.

Unsatisfied with the progress of the claim and communication, Mr F made complaints to AXA. They were responded to with complaint final response letters (FRLs) in June 2021, January 2023, April and October 2024. In October 2024 Mr F referred his complaints to the Financial Ombudsman Service. He wasn't satisfied that the property was stable as AXA had said. He said he'd employed a structural engineer who had recommended that the foundations of the conservatory and extension should be extended deeper into the ground. So, this is what Mr F wanted AXA to do before carrying out any internal repairs.

Our Investigator said that the complaints responded to in June 2021 and April 2023 hadn't been referred to this Service in time, as such, she couldn't consider those. She was satisfied she could consider the complaints answered in April and October 2024. Mr F accepted the scope of the review.

Having reviewed the complaints made in time, our Investigator was satisfied AXA's position, that it wouldn't extend the depth of the foundations, was reasonable. She was satisfied AXA had shown – through the monitoring – that the property had been stabilised by removing the vegetation. As such, she didn't think AXA needed to do works to the foundations. However, she thought between February and November 2023 AXA had caused some unreasonable delays in the claim by not arranging a site visit earlier. She recommended AXA pay £500 compensation to reflect the unnecessary distress and inconvenience caused by AXA's handling of matters. She didn't recommend AXA reimburse Mr F what he'd paid for his own expert report, because she didn't consider that had altered the claim or complaint outcome.

AXA accepted that outcome, but Mr F didn't. He said AXA had said digging deeper foundations would be betterment and he didn't agree, because all it would leave him with was a stable property, which is what he had before the subsidence affected it. He said he considered betterment to be adding to the value of the property, which this wouldn't do.

He further said this Service has previously required insurers to carry out such foundation works. He maintained reimbursing the report was fair because his expert had said cracking and movement will likely reoccur. He also said he'd demonstrated the property isn't stable because a three-metre long crack had opened up on the main outer wall months after AXA had said the property wasn't moving.

Our Investigator wasn't minded to change her outcome, and so because the matter wasn't resolved, it has come 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.

Having done so, I agree with the outcome reached by our Investigator for the same reasons. As such, I'm not going to repeat the detailed findings she's already set out to the parties, instead I'll focus on responding to comments Mr F made in response to our Investigator's findings.

The stability of the property

Mr F says a case study on our external website supports that AXA should carry out works to the foundations as 'preventative work'. I've read the case study in question, but I'm not persuaded this is the same as Mr F's claim. In that case study, it says this Service decided that movement to the property would continue *unless* work was done to the foundations. In this case, AXA has argued that the property is stable, i.e. not moving, and has been since 2023. As such, its view is it has been able to carry out an effective and lasting repair without extending the foundations. This is why AXA has said doing those works would be betterment; the terms of the policy are intended to return the property to its pre-loss state. And its view is that it has done that, because with mitigation works, the movement has stopped.

From all of the evidence I've seen I'm satisfied that was a reasonable position for AXA to take. Mr F's expert does say, "*there is a chance that movement may re-occur and further cracks develop*" if the foundations aren't extended deeper. But the expert's comments are also that "*there is no suggestion the building is unstable*". Mr F's expert hasn't said that the works carried out by AXA haven't stopped the subsidence to the property.

And I also bear in mind that the expert says that it is his "*considered structural opinion*" that the foundations work needs to be done. It might, from a structural point of view, be best to have deeper foundations to the extension and conservatory. But that doesn't mean AXA has a responsibility to carry out these works as part of this subsidence claim. If stability can be achieved by other means such as vegetation removal, then AXA has met its obligations under the terms of its policy with Mr F.

As such I'm not persuaded the comments of Mr F's expert have or should have altered the outcome of the claim, or this complaint. And as such, it wouldn't be reasonable for me to require AXA to reimburse Mr F's costs incurred in sourcing the report and expert's comments.

I've reviewed the monitoring reports and comments from AXA, I'm satisfied that it made a reasonable decision to say the property was stable and so it could move to the repairs. Mr F says he's sent evidence of a large external crack, that appeared after the monitoring had finished, so thinks that is evidence that the property is still moving.

However, in Mr F's email to AXA of January 2024, where he highlighted this crack, he said thinks it has appeared since the last visit. So, it's equally possible that this crack had been there previously and was not new at all. I also can't see Mr F provided examples of any other 'new' cracks, externally or internally, since that time. So, whilst I consider that might have indeed been a new crack and evidence the property was not stable, I'm not satisfied, bearing in mind what I've said above and the monitoring readings from 2023, that is most likely the case. As such, I'm not going to require AXA to carry out works to deepen the foundations at Mr F's property.

The delays in the claim

I understand this claim has been ongoing for over six years. However, this Service doesn't review claims, we review complaints. And as set out by our Investigator, complaints about delays were raised with AXA and not referred to this Service in time. So as part of reviewing

this complaint, I can't look at any delays caused before 23 January 2023. After that point, I consider AXA did cause a delay in arranging the site visit which then took place in November 2023. The contractors had requested a joint site visit in April 2023, yet this wasn't arranged until the November. Even with allowing some time for diaries to align, I think AXA could have reasonably carried out the site visit six months earlier than it did. For that delay, I consider £500 is a fair and reasonable sum for the unnecessary distress and inconvenience caused to Mr F.

There was some time taken by AXA to revise the scope of works, which was done in early January 2024, I don't consider that to have taken an unreasonable length of time. Mr F raised concerns with the scope of works which AXA addressed promptly, and minor amendments were made as a result. But in April 2024 Mr F said he'd sought advice from his own expert and as such no progress was made in relation to the repairs.

Having reviewed the concerns raised about the repairs and Mr F's expert's comments (referred to earlier in this decision) I'm not persuaded it has been shown that AXA's proposed repairs are unreasonable. AXA's expert, apart from commenting on the foundation, didn't set out any additional/alternative superstructure (i.e. above ground) repairs that would be needed or were more appropriate, for example. As such, I don't consider AXA can reasonably be held responsible for any delay in resolving the claim from January 2024. I realise this is Mr F's home, and he wants to make sure the repairs will return it to a saleable state, all of that is understandable. But I can't say, having reviewed what I have, that AXA has acted unreasonably in its proposal, as such any distress and inconvenience caused to Mr F as a result of the ongoing discussion with AXA isn't something I've found it should pay compensation for.

My final decision

My final decision is that I direct AXA Insurance UK Plc to pay Mr and Mrs F £500 compensation for unnecessary distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 November 2025.

Michelle Henderson
Ombudsman