

## **The complaint**

Mr and Mrs B complain about the amount AXA Insurance UK Plc charged for their home insurance policy.

Mr B has primarily dealt with matters, so I'll refer to him on behalf of Mrs D for simplicity.

All premium figures will be rounded for ease of reading.

## **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.

Our investigator thought AXA had acted fairly. I agree, and for the same reasons, so I don't think it's necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- Mr B held home insurance with AXA. In 2021, the premium was £500. He went on to make two claims that policy year, including one that was recorded as subsidence.
- After that the premium increased as follows: £950 in 2022, £1,300 in 2023 and £1,700 in 2024. Mr B didn't think these increases were fair.
- Each insurer is entitled to take its own view of risk and, based on that, whether to offer insurance cover to a particular policyholder – and, if so, at what price.
- Like any insurer, AXA can generally take into account any relevant and accurate information it wishes when deciding how risky something is to insure.
- I think the key point in dispute is as follows: AXA has used its standard underwriting criteria to determine the premium. I understand Mr B considers it unfair for AXA to take this approach. He says it should arrange for an underwriter to manually underwrite his policy, effectively providing a bespoke underwriting service. This would include, for example, taking into account that the tree which caused the subsidence problem has been removed.
- Put simply, AXA isn't required to do this. There are no rules or regulations or similar which prohibit AXA from making its own underwriting decisions. It's entitled to use wider, general information and make its own judgement about how risky it is to provide home insurance to Mr B. And that's what it's done.
- Mr B may disagree with the underwriting approach AXA has taken. But AXA is entitled to decide which risks it's prepared to insure, and on what terms, and which it isn't. It's also entitled to decide what methods to use to judge the level of risk.
- Mr B has questioned whether it's right for AXA to record the claim as subsidence. I'm satisfied it is. AXA assessed the cause of damage as subsidence, so it's an accurate

reflection of the claim to record it as such. I haven't seen any professional opinion to challenge this. Whilst the damage may not have been as significant as it can be in some subsidence claims, that was nonetheless the cause. Whilst the removal of the tree which caused the problem may reduce the risk of further subsidence problems, it's unlikely to completely eliminate them. AXA is entitled to decide for itself how much risk remains, how to judge that, and what corresponding premium to charge.

- Mr B says AXA has breached Association of British Insurers ("ABI") regulations. But the ABI doesn't set regulation. The ABI provides good industry practice guidance to insurers. Relevant to this complaint, that includes encouraging insurers who handle a subsidence claim to provide continuous subsidence cover to that policyholder. AXA has acted in line with that guidance.
- Nonetheless, I would expect AXA to be able to show its premium increase was fair. In these circumstances, that means it was in line with its general view of risk and meant Mr B was treated consistently with how any other policyholder in similar circumstances would have been.
- AXA has shared underwriting and pricing information with this Service. It's commercially sensitive, so it wouldn't be appropriate for me to discuss it in detail. But I can reassure Mr B the information is comprehensive and, having thoroughly considered it, I'm satisfied it shows the premium increase was fair because it met the test I set out in the bullet point above.
- Whilst Mr B may wish to understand the specific reasons behind AXA's premium increase, that's not something I'd expect AXA to share, given the commercially sensitive nature of it. AXA has explained some of the key reasons in broad terms, including rising costs, loss of the no claims discount, and its perception of the risk of future claims.
- Overall, for the reasons given, I'm satisfied AXA has acted fairly and reasonably, up to and including the 2024 renewal.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 16 February 2026.

James Neville  
**Ombudsman**