

The complaint

Mr H complains about AXA Insurance UK Plc (“AXA”) and their decision to cancel his home insurance policy, which also then removed his access to the additional Legal Expenses (“LE”) policy it included.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr H held a home insurance policy, underwritten by AXA and arranged by a separate business, who I’ll refer to as “P”, when he attempted to utilise its LE cover at the end of 2024. P were acting as an agent of AXA and so, AXA remain responsible for the service P provided relating to the policy itself. So, I will refer to any comments made, or actions taken, by P as though they were made by AXA themselves throughout the decision where appropriate. This LE cover itself was underwritten by another insurer, who I’ll refer to as “D”.

D reviewed Mr H’s claim and discovered Mr H wasn’t the owner of the risk address, as decided by a tribunal in 2023. So, they made AXA aware of this. And AXA ultimately decided to cancel the policy due to this information. Mr H was unhappy with this decision, so he raised a complaint.

AXA responded to the complaint and didn’t uphold it. In summary, they explained why they felt the policy wasn’t valid after discovering Mr H wasn’t the property owner. So, they thought they had acted fairly, and in line with the policy they provided, when cancelling it and they didn’t offer to do anything more. Mr H remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator set out their opinion that the policy was intended to provide cover for properties Mr H was legally responsible for. So, as Mr H wasn’t the owner, our investigator thought AXA were fair to cancel the policy, as it didn’t provide a benefit to him.

Mr H didn’t agree, providing several comments setting out why. This included, and is not limited to, his continued assertion that he did hold an insurable interest, as he was financially responsible for the property’s upkeep and mortgage. Because of this, and his belief AXA were aware of his situation some time before the cancellation, he explained why he felt the cancellation was unfair and not in line with FCA principles centred around treating customers fairly. As Mr H didn’t agree, the complaint has been passed to me for a decision.

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’m not upholding the complaint for broadly the same reasons as the investigator. I’ve focused my comments on what I think is relevant. If I haven’t commented

on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out what I've been able to consider, and how. I note a significant aspect of Mr H's argument centres around his belief he holds an insurable interest in the property, considering his financial commitments towards it which includes the mortgage he is responsible for.

But I note Mr H has also made both AXA and our service aware that a tribunal was held in 2023, without a right of appeal, which made a legal determination that Mr H wasn't the owner of the property the policy insured. As an informal alternative to the courts, I'm unable to consider, or make a finding on, any decision a court has reached. So, my decision has been made on the basis that Mr H wasn't the owner of the property. And it won't make a finding on whether Mr H's financial commitments to the property should supersede this, which includes his argument that he holds an insurable interest.

Instead, my decision will focus on whether AXA's decision to cancel the policy was a fair one, once they became aware that Mr H wasn't the property owner, considering the policy terms and conditions. And I want to be clear to Mr H that I've considered all his comments surrounding this that I'm able to, which includes his reference to the Financial Conduct Authority ("FCA") principles that centre around treating customers fairly.

I want to be clear that these principles do not mean that an insurer can never place a customer in a situation where there is detriment to them, financial or otherwise. So, AXA haven't automatically acted unfairly because Mr H has been left in a situation where he is without insurance, considering the impact this has to his mortgage which I note is in arrears.

But what these principles, and our services approach, do expect is that insurer such as AXA cancel a policy fairly and reasonably, based on the information presented to them at the time they take the decision to do so. And, that a consumer such as Mr H is made reasonably aware of why they took this decision. Having considered all the information available to me, I'm satisfied AXA has done so in this situation and I'll explain why.

I've seen the policy documents Mr H saw at his most recent renewal, which occurred just before he attempted to utilise the LE cover and crucially, after he had received the tribunal judgement ruling that he wasn't the owner of the property the policy insured.

Within these, I've seen that they explain the purpose of the policy was to insure, and cover *"your permanent home which you either own or lease, an occupied secondary residence which you own, for example a holiday home, a let property, a weekend or weekday home or an unoccupied property which you own"*.

Crucially, this doesn't talk to providing cover, or insurance, for a property that a policyholder held an insurable interest in. It talks solely to covering and insuring a property owned by the policyholder purchasing the policy itself. And it's not in dispute Mr H didn't at the time AXA chose to cancel the policy.

So, I'm satisfied that AXA made the scope of the policy reasonably clear, and that it was limited to the owner of the property being insured. And as Mr H didn't own the property, I'm satisfied AXA were fair to cancel the policy, as otherwise they would be allowing Mr H to continue to pay for a policy that ultimately provided him no benefit.

I'm also satisfied this decision was fair and reasonable, and in line with FCA principles and

guidelines. This is because it prevented Mr H from incurring further costs for the policy and ultimately gave him the opportunity to find alternative insurance, even if this meant the property being insured by the owner rather than himself. So, I won't be directing AXA to take any further action regarding this aspect of the complaint.

I understand Mr H is unlikely to agree. And as I've already explained, I have considered all the comments Mr H has put forward even if I haven't spoken to them specifically. I note Mr H has stated AXA were aware of his ownership status in the time prior to him attempting to utilise the LE cover, and why he feels this makes the cancellation unfair.

But from the information that has been provided to me, I've seen no evidence that persuades me AXA themselves were aware Mr H wasn't the legal owner of the property until D notified them in December 2024. And I'm satisfied AXA acted promptly once this information was received to establish the steps they would take next.

Even if this wasn't the case, and AXA were aware prior to choosing to cancel the policy, it remains that Mr H didn't own the property and, regardless of AXA's knowledge, he ultimately took out a policy that provided no cover for the property he wished to insure, given its ownership. So, I'm satisfied the cancellation would always have been fair, and Mr H would ultimately find himself in the same position he has.

I'm also satisfied when taking these steps, Mr H was made reasonably aware of the reason for the cancellation, as he was able to raise a complaint and present his arguments about it. And the policy terms and conditions also make it reasonably clear that, where a policy is cancelled, any refund of premiums outstanding wouldn't include the additional options included with the policy, which included LE cover.

So, I'm satisfied AXA were fair not to provide a refund for Mr H's LE cover, or any other additional option, even though the cancellation ultimately likely removed his ability to utilise them. Because of all the above, I'm not directing AXA to do anything more.

My final decision

For the reasons outlined above, I don't uphold Mr H's complaint about AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 February 2026.

Josh Haskey
Ombudsman