

The complaint

Mr G has complained about how AXA Insurance UK Plc (“AXA”) has recorded a claim he made under his landlord insurance policy.

What happened

Mr G holds a residential landlord insurance policy with AXA. In March 2024, he was notified by his managing agent that there was a significant crack in the bedroom wall of a rental property he owned.

The damage was reported to AXA as a subsidence claim, but the loss adjuster that AXA appointed found no evidence of subsidence. The claim was subsequently declined on the basis that no insured peril had occurred. AXA told Mr G he’d need to declare the claim to future insurers, even though in Mr G’s view, there had been no valid claim. AXA said this was because it had incurred a cost, as it had to appoint a surveyor – even though Mr G said this was only done to support its decision to decline the claim.

Mr G then discovered that the information on the Claims and Underwriting Exchange (CUE) wasn’t accurate. He said the issue had been recorded as a home claim, despite him advising AXA that his policy was a commercial landlord policy. He also said it was recorded as “SUBS CLAIM” which he had taken to mean a subsidence claim, and this was misleading, as AXA had confirmed the damage wasn’t caused by subsidence. And the claim costs were recorded as £290 even though no claim payment was made to him. The cost was made up of £150 compensation for service issues and £140 for the surveyor AXA appointed.

Mr G complained to AXA. It said, in response to his complaint, that the policy was a residential landlord policy – which was categorised as household insurance rather than commercial insurance. This was because the policy was designed for landlords letting out residential properties and not business premises.

In relation to the claim being recorded as “SUBS CLAIM”, AXA said its records confirmed that it had been recorded as Accidental Damage, which was correct.

And in relation to the costs recorded, AXA said compensation payments made in respect of service concerns weren’t treated as claim payments and wouldn’t impact Mr G’s claims history in terms of liability or payout.

Mr G didn’t accept AXA’s response and responded to AXA to say he was unclear about why his complaint hadn’t been upheld. AXA issued a second final response letter in which it said it accepted that the claim costs shouldn’t have included the compensation payment and that the addition of “SUBS CLAIM” on the CUE record was an error. It agreed to remove the compensation payment from the CUE record and the incorrect reference to “SUBS CLAIM”.

Mr G remained dissatisfied. So he referred his complaint to the Financial Ombudsman Service. Our Investigator considered the complaint, but didn’t think it should be upheld. She told Mr G and AXA that the steps taken by AXA in response to the complaint were fair and reasonable in the circumstances. But Mr G didn’t agree. He said whilst AXA had agreed to

amend the record, it had initially refused to do so, and this required him to spend a considerable amount of time and effort to get things sorted.

Mr G asked for an independent review of his complaint, so the complaint was referred to me for an Ombudsman's decision. I issued my provisional decision on 13 October 2025 and I've included an extract of it below.

"It's not in dispute that some errors were made here. In AXA's initial final response letter dated 15 April 2025 it didn't accept it needed to make any amendments to Mr G's CUE record. This decision directly impacted Mr G as he had to then take time to contact AXA, again outlining his reasons for remaining dissatisfied.

Having looked at Mr G's communications with AXA, both before and after AXA's final response letter, I think AXA should've offered to amend the CUE record in its first final response letter of 15 April 2025. This is because Mr G had outlined his concerns clearly in his conversation with the claims department – and those concerns hadn't changed. So I think AXA could've addressed them properly at the earliest opportunity.

AXA instead didn't uphold Mr G's complaint and issued a second final response letter, dated 22 April 2025, in which it still didn't accept it needed to do anything differently. I'm currently satisfied this caused Mr G further inconvenience as he then needed to pursue his complaint further. He sent a further email to AXA on the same date as its second final response letter, explaining why AXA's response was unclear.

I think Mr G was right about the communications from AXA not being as clear as they could've been. AXA's responses – whilst accepting that Mr G's compensation wouldn't form part of the overall claim costs – didn't explain why it was appearing as though these had been recorded against the claim on Mr G's CUE record. Its response also didn't explain what "SUBS CLAIM" meant or why it was referenced on Mr G's CUE record.

I'm currently satisfied this caused Mr G unnecessary confusion and inconvenience for which he should be compensated. And I've kept this in mind when considering what I think the overall outcome of this complaint should be.

I've considered the points Mr G raised with AXA. I agree that the compensation costs shouldn't be recorded against his claim and I'm pleased to see that AXA has now agreed to remove these from the CUE record. I also agree with Mr G that the record shouldn't refer to "SUBS CLAIM" as this could be misleading for future insurers, as it was confirmed that the damage wasn't caused by subsidence. I'm therefore also pleased to see that AXA has agreed to remove the erroneous reference from Mr G's record.

But in relation to the surveyor's costs which are recorded against the claim, I'm not currently satisfied AXA needs to do anything differently. In general, costs which are incurred by an insurer where no claim has been paid can be recorded in this way – in line with CUE's best practice guide, which promotes the need to add all costs to CUE, regardless of whether a claim is paid or not. So I don't currently think AXA needs to take any further action in relation to how those costs have been recorded.

Taking everything into account, I currently think AXA should pay Mr G £250 compensation for the additional inconvenience that's been caused to him in having to pursue this matter due to its failure to uphold his complaint at the earliest opportunity. This amount reflects that AXA's unclear communications caused Mr G more than the usual levels of frustration that he might've reasonably expected. The impact lasted some weeks, so I currently think an award of this amount is fair and reasonable in the circumstances."

Neither party responded to my provisional decision by the deadline given. So I've reconsidered all the available information about this complaint in order to make a final 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.

As neither party has responded to my provisional decision by the deadline given, I see no reason to depart from my provisional findings, as set out above, which now form part of this final decision.

Putting things right

AXA Insurance UK Plc should now pay Mr G £250 compensation for distress and inconvenience, in addition to what it's already agreed to do (remove the compensation costs from Mr G's CUE record, and remove the reference to "SUBS CLAIM" from Mr G's CUE record.)

My final decision

My final decision is that I uphold this complaint and I direct AXA Insurance UK Plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 November 2025.

Ifrah Malik
Ombudsman