

## The complaint

Mr and Mrs H complain about the way AXA Insurance UK Plc handled a claim they made under their buildings insurance policy for subsidence.

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

Reference to AXA includes its agents and representatives.

## What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr H got in touch with AXA in September 2024, to make a claim for damage to his garage. AXA accepted the damage had been caused by subsidence and was covered by the policy in principle. But it said the cost of repairs were below the £1,000 policy excess, and declined the claim.
- Mr H disagreed because he said the work would cost much more than £1,000. I understand he thought structural work should form part of the claim, but AXA disagreed. Following some discussion, AXA agreed to consider Mr H's quote.
- Mr H went on to make complaints. In summary, he said:
  - There had been delays and poor communication.
  - AXA initially declined the claim unfairly, which added to the delay.
  - The premium had increased unfairly at the 2025 renewal.
  - AXA's building insurance is a 'fraud' because, when making a claim, the service was so poor that he effectively had no insurance.
  - To put things right, AXA should:
    - Refund all the insurance premiums he'd paid over the years, as it wasn't really providing insurance.
    - Refund the additional premium he paid in 2025.
    - Resolve the claim promptly, in part to enable him to explore insurance with other companies.
    - Pay compensation for distress and inconvenience.
- AXA accepted there had been some delays and poor communication and paid a total of £275 compensation. It said it had received the quote from Mr H, which it would review. It thought it acted fairly in relation to the premiums. It noted it offered Mr H a discount of around £85 at the 2025 renewal, but he didn't accept it, so it wasn't applied. Nonetheless, it agreed to refund that to him as a gesture of goodwill.
- Our investigator thought AXA should carry out a period of monitoring to check for ongoing movement. And pay a further £275 compensation, to make £550 in total, for the distress and inconvenience caused to Mr H. She thought AXA had acted fairly in relation to the premiums.

- AXA agreed to do as our investigator suggested. Mr H didn't think the proposed compensation went far enough to put things right. And he reiterated that he thought AXA had acted unfairly in relation to the premiums. I understand he agreed to AXA carrying out monitoring.
- Mr H later said he would accept £550 compensation, in addition to the £275 already paid by AXA. Our investigator didn't think a total of £825 was reasonable in the circumstances. Mr H asked for this point alone to be referred to an Ombudsman. So the complaint has been passed to me.

### **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.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.
- The scope of this decision is the complaint points raised by Mr H, up to and including AXA's complaint response in July 2025. I won't consider any matters after that time in this decision. Mr H is entitled to make a further complaint about such matters if he would like to.
- In summary, there were originally three main points to this complaint – the way the claim was handled, the next steps for the claim, and the premiums. But when Mr H asked for his complaint to be referred to an Ombudsman, he specified it was about compensation only. That solely relates to the claim handling. As a result, I understand he didn't want an Ombudsman to consider the other two complaint points. So I haven't done so.
- Our investigator asked AXA to carry out monitoring, which it agreed to. I understand Mr H agreed with this too. So, whilst I won't consider it, I'll include it in the award.

### *Claim handling*

- AXA is required to handle claims promptly and fairly and to act fairly and reasonably.
- AXA has conceded it didn't always meet these requirements. It initially paid £275 to recognise this and, after our investigator asked it to, AXA paid a further £275 to make £550 in total.
- The question for me is whether £550 goes far enough to fairly compensate Mr H for the impact of AXA's shortcomings. I'm satisfied it does and I'll explain why.
- Our investigator clearly and comprehensively set out the key claim events and her view on the claim handling. Mr H hasn't challenged any of the points she made. So I understand only the level of compensation is in dispute. Having reviewed the claim history, I agree with the points our investigator made. So I don't see a benefit in repeating them in the same level of detail. Instead, I'll summarise the key points:

- AXA should have acted sooner when Mr H pointed out the bamboo removal wasn't 'recent' but happened many years earlier.
  - AXA should also have taken more steps to assess the stability of the garage, such as carrying out monitoring.
  - And AXA should have assessed the repair costs fairly, rather than declining the claim initially.
  - Taking the above three actions would have avoided delays and given Mr H more assurance that his concerns had been heard and the claim was being progressed promptly and fairly.
  - There's little information about the visits AXA carried out. That casts doubt on how effective they were at helping to progress the claim meaningfully and sharing key information with Mr H about what he could expect from the claim.
  - Other communication with Mr H wasn't always prompt or helpful, as he had to chase for updates or responses numerous times, and some emails were sent to him without relevant attachments.
- Overall, it's clear the claim has caused Mr H considerable distress and inconvenience. In the circumstances, I consider £550 a fair and reasonable amount of compensation for the way AXA handled the claim within the scope of this decision.

### **My final decision**

I uphold this complaint.

AXA has already paid £550 compensation. I think this is fair in the circumstances. So I don't require AXA to pay further compensation in relation to this complaint.

I require AXA Insurance UK Plc to carry out monitoring.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 18 February 2026.

James Neville  
**Ombudsman**