

The complaint

Mr J complains about the service provided and the cash settlement amount offered by AXA Insurance UK Plc following an escape of water claim.

Any mention of AXA in this decision includes any appointed contractors by AXA.

What happened

The events are well known to both parties, so I'll only briefly summarise them here.

Mr J suffered an escape of water at his property in January 2024. He contacted AXA to raise a claim. Due to his personal circumstances and his belief that AXA didn't have any contractors that could help, Mr J arranged for the repairs to be completed to his property. There was almost £15,000 between what Mr J has paid for the work and the settlement offer by AXA. Mr J raised a complaint which was upheld by AXA. They increased their cash settlement offer by £1,000 and offered £100 compensation for the service failings. Mr J was still unhappy and brought the complaint to this service.

Our investigator upheld the complaint. They didn't think AXA had fairly assessed the claim and thought they should consider the cash settlement offer further. They also thought AXA should pay an additional £400 compensation for the trouble and upset caused. Both Mr J and AXA appealed. Mr J didn't want AXA to assess it further and just wanted his invoices approved. AXA have agreed to assess the settlement further but didn't think the compensation awarded was fair. They did offer to increase their initial offer by a further £100. As no agreement could be reached, the complaint has been passed to me to make a final decision.

Because I disagreed with our investigator's redress, I issued a provisional decision in this case. This allowed both AXA and Mr J a chance to provide further information or evidence and/or to comment on my thinking before I made my final decision.

What I provisionally decided – and why

I previously issued a provisional decision on this complaint as my findings were different from that of our investigator. In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mr J's complaint.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether AXA acted in line with these requirements with how they've handled Mr J's claim.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr J has, and in my own words. I'm not going to respond to every single point made.

No courtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

It's not in dispute that Mr J suffered from an insured event. It's how the claim has been handled that Mr J has an issue with.

Due to his personal circumstances at the time, Mr J was keen for the claim to be dealt with as quickly as possible. Whilst I can appreciate Mr J's concerns for the remedial works dragging on, claims such as this can take time. As a starting point, insurers need to validate what work needs completing before employing contractors. Policyholders can employ their own contractors, but if they choose to do so, insurers may limit the claim settlement to what it would have cost them using their own contractors.

I've reviewed the claim history and I've not seen anywhere that AXA informed Mr J that they wouldn't be able to complete the remedial work. I think it's important to point out that the home emergency element of Mr J's policy is underwritten by a different insurer. So, I'm not able to hold AXA responsible for their actions.

Having looked at the claim history, it's clear that both parties don't agree with the scope of work the other party thinks should be covered. However, it's not clear specifically where the differences lie between the two parties. This is both on items covered and costings. AXA's internal surveyor has reviewed the claim file and recommended the loss adjuster reviewed the schedule of work further with Mr J. I think AXA should have made more effort to engage with Mr J about the discrepancies.

AXA has agreed to meet with Mr J to review the schedule of work and their settlement offer. Whilst I appreciate Mr J isn't keen for this to happen, I do think it's a fair way for the claim to be progressed. Should Mr J remain unhappy with the cash settlement offer after AXA's further review, he'll be able to raise this as a new complaint.

I appreciate it must have been frustrating for Mr J to have been waiting so long for his claim to be considered. I've considered everything in the round and I think Mr J has been caused an unreasonable amount of distress and inconvenience which has required a reasonable amount of effort to sort out. In line with our website guidelines, I'm intending to award a further £200 compensation. This is in addition to the £100 already offered by AXA, making it £300 in total."

I set out what I intended to direct AXA to do to put things right. And gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses to my provisional decision

AXA accepted my provisional decision.

Mr J confirmed he didn't agree with my provisional decision. He maintained that he felt that his full costs should be paid.

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.

I've thought carefully about the responses to my provisional decision. Having done so, while I appreciate it will come as a disappointment to Mr J, my conclusions remain the same. I'll explain why.

Mr J has said he felt the outcome of my provisional decision was unclear. To ensure it's clear to both parties I'll provide some further detail on the claim cost review. AXA should meet with Mr J at his property. They should review the scope of work completed by his contractors. They should then review the scope of work they produced to see where there are differences. Where there are differences, AXA will need to consider why they haven't covered items previously and decide to either cover it, or provide Mr J with a detailed explanation as to why not. For anything still not being covered by AXA, Mr J will be able to raise this as a further complaint.

Mr J has said he hired experienced, competent and reputable contractors and so the invoiced costs are the real incurred costs. It will be for AXA to review the scope of works as outlined above to decide what they think needed to be done. Insurers have labour cost agreements with their contractors which is usually cheaper than open market costs, so this may reduce the cost of the claim for AXA.

Mr J has accepted AXA didn't say they couldn't do the work but has said AXA also didn't say they could. However, he later goes on to say that the loss adjuster during his visit was looking to appoint contractors. Mr J has said he appointed contractors due to his urgent safety requirements. I can understand why Mr J wanted the work completed as quickly as possible. Mr J says his actions meant AXA saved money on alternative accommodation and so this should be factored into the settlement offer. Ultimately Mr J's actions took the claim out of AXA's hands. It's not possible to know how the claim would have unfolded and what would and wouldn't have been necessary. As no alternative accommodation was needed, I don't think AXA should be considering this as part of their settlement offer. Mr J has also said the availability of AXA's contractors needs to be considered but I don't think this information is likely to still be available. However, even if it was, I don't think it needs to be considered as Mr J didn't give AXA the opportunity to complete the repairs.

Mr J has said he wants the home emergency issues considered under this complaint. His home emergency cover isn't underwritten by AXA, as such they have no liability for the actions under that claim. So, I can't consider the issues in this complaint.

Putting things right

To put things right, AXA should do the following:

- Review the claim settlement further with Mr J in line with how I've set out above.
- Pay Mr J a total of £300 compensation for the trouble and upset caused.

My final decision

For the reasons I've explained above, I uphold this complaint and direct AXA to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 January 2026.

Anthony Mullins
Ombudsman