

The complaint

Ms D complains about how AXA Insurance UK Plc have handled a claim on her buildings insurance policy.

What happened

The events of this complaint are well known to both parties, so I won't repeat them in detail here. In summary, Ms D raised a claim in October 2023. To date, the claim hasn't been resolved. Ms D has raised several complaints with AXA. The complaint leading to Ms D raising this issue with us was responded to by AXA in March 2025. AXA had accepted the service they'd provided hadn't been acceptable and awarded Ms D £600 compensation. Ms D was unhappy with the amount of compensation awarded and brought the complaint to this service.

Our investigator upheld the complaint. He thought the compensation should be increased to £2,000. He also thought AXA should increase their disturbance allowance payment from £10 per day to £15 per day. Both Ms D and AXA appealed. Ms D said she was still having issues with AXA. She also didn't think the investigator had fully understood her complaint. AXA felt the compensation was too much for a three-month period. As no agreement could be reached, the complaint has been passed to me 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.

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 handled Ms D's claim.

At the outset I acknowledge that I've summarised her complaint in far less detail than Ms D has, and in my own words. I'm not going to respond to every single point made. No discourtesy 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.

As a starting point, it's important to set out the remit of this complaint. Following our investigators view, both parties have questioned the time period the complaint is covering. As a service, we've already considered a complaint for Ms D about the handling of this claim. So, I can't comment on any points already considered in that complaint. The final response letter was issued on that previous complaint on 8 August 2024. It includes issues that occurred from then, up to a complaint that was raised by Ms D in June 2025. It also considers the delay caused by incorrectly drying the property which occurred before August 2024. This is because the issue didn't come to light until after this date. This complaint

doesn't include any issues that occurred after her complaint in June 2025. This includes the issues she's been having with her settlement offer and the carpet quotations.

I've commented on what I think are the main issues Ms D has been having during this time period individually below.

Failure to dry

A drying certificate was issued in June 2024. However, it has been accepted the property wasn't dried out properly. As a result, this has led to the property continuing to not be in a fit state. It's taken AXA a long time to arrange for the drying to be completed. This is even with Ms D advising them about the negative impacts it was having on her health. AXA hasn't acted as they should have done and compensation should be awarded for this. I've set out my compensation award below.

Living conditions and health

The property hasn't been in a fit state to live in for a considerable amount of time. There have been delays, especially with the property not being dried properly. Ms D has vulnerabilities due to her health. Her mobility and mental health have been affected. Ms D has also recently had an asthma diagnosis. Whilst I'm not qualified to say whether this was caused by her living conditions, I think it's likely they've had a negative impact on Ms D's health. I'll be considering this as part of my compensation award.

Delays and communication

It's been accepted there have been significant delays. I also don't think AXA did a good enough job in keeping Ms D informed. I've seen multiple instances of Ms D having to chase for updates. I've considered this in my compensation award.

Alternative accommodation (AA) and disturbance allowance (DA)

From the claim file, AA was difficult to sort out as Ms D wasn't given the information she wanted and had asked for. I also think there was a small delay in arranging payment of AA settlement after Ms D had accepted it.

AXA has paid DA based on £10 a day. Whilst this has previously been a long-held approach by this service, in recent years there have been high rates of inflation. I don't think it's unreasonable for the investigator to have asked AXA to increase this to £15 per day.

I think the issues above have caused Ms D distress and inconvenience. There have been significant delays, a lack of communication and an impact on Ms D's health. Although this is a distilled version of events, I've considered everything in the round and I think Ms D has been caused sustained distress, affecting her health and severe disruption to her daily life typically lasting a significant period of time. In line with our website guidelines, I think the £2,000 compensation awarded by our investigator is fair and reasonable in the circumstances.

In response to our investigator's view, AXA queried the amount of compensation for a three-month period as well as previous compensation awards they'd already made. As set out above, this complaint doesn't cover a three-month period. It was almost a year, from 8 August 2024 to 14 July 2025. It also covers the additional delays caused by the property being incorrectly certified as being dry which happened in June 2024. As for previous awards, this complaint doesn't take into account anything awarded prior to and including 8 August 2024, neither does it include anything awarded by this service in the previous

complaint. It would include any payments made as a result of the final response letters in March 2025, June 2025 and July 2025. These payments came to £800, so it would be an additional £1,200.

In response to our investigator's view, Ms D mainly focused on the issues she was having with the settlement figure for the claim and AXA wanting more quotes for her carpets. These issues aren't included in this complaint, so I won't be commenting on them. She was also unclear whether we'd be looking into the previous complaint too. As she accepted the previous outcome, I won't be looking into those issues either.

Putting things right

To put things right, AXA should do the following:

- Pay Ms D a total of £2,000 compensation.
- Pay Ms D for DA at £15 per day, deducting any payments already made to her.
- Pay 8% simple interest* on any additional DA payment made, from the date of the original payment, to the date of the additional payment.

* If AXA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms D how much it has taken off. It should also give Ms D a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained above, I uphold this complaint and direct AXA Insurance UK Plc 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 Ms D to accept or reject my decision before 12 February 2026.

Anthony Mullins
Ombudsman