

The complaint

Mr K and Mrs K are unhappy with how AXA Insurance UK Plc (AXA) handled a subsidence claim made under their buildings insurance policy.

Any references to AXA include its agents.

What happened

Mr K and Mrs K built an extension to their home, but this wasn't fully signed off by the relevant local authority. They say this was because the builders instructed absconded before this was possible. Before the relevant sign-off was received from building control, Mr K and Mrs K's home was affected by subsidence, and they made a claim to AXA in 2020.

Mr K and Mrs K said AXA initially reassured them it would consider the claim after sign-off had been received so they continued to liaise with the relevant local authority. But they say AXA later declined the claim on the basis the foundations for the extension were not sufficiently deep. Mr K and Mrs K complained to AXA, and it issued its final response in February 2025. AXA said from the very start of the claim its position had been that Mr K and Mrs K needed to evidence the legality of the extension. As this hadn't been received, the claim had been declined.

Unhappy with AXA's response, Mr K and Mrs K referred their concerns to the Financial Ombudsman Service. Our investigator said she thought AXA had fairly relied on the policy terms to decline the claim and it hadn't offered any assurances the claim would be accepted and settled without the previously requested information.

Mr K and Mrs K didn't agree, they said AXA's handling of the claim had been inconsistent and delayed. Our investigator didn't reach a different conclusion, so this matter has been passed to me to decide.

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.

This decision focuses on what I consider to be the key evidence relevant to a fair and reasonable outcome. This reflects the informal nature of the service and isn't intended as a discourtesy. I've considered all the evidence and agree with the investigator's conclusion for largely the same reasons.

I appreciate this matter has remained unresolved for a long time and this is naturally causing worry. In deciding whether AXA has acted fairly, I've started by considering the policy terms, which say:

“3. Take reasonable care of Your Home

Your Home and your belongings should always be kept in a good state of repair and working condition. Failure to do so may affect Your insurance cover...

To reduce the risk of something going wrong:

...

- *Ensure any building, electrical or plumbing work done at Your Home complies with any relevant regulations. Such work should be carried out by a qualified contractor to ensure compliance with current standards.”*

I'm satisfied it's clear the policy expected Mr K and Mrs K to be able to demonstrate the extension built during 2015 and 2016 complied with the relevant regulations. And a reasonable expectation is that this would be evidenced by providing documentation to show the extension was signed off by the relevant authority.

I appreciate Mr K and Mrs K say they've had some challenges in obtaining this. And I'm sympathetic to the difficulties they say they've experienced. However, I'm of the view AXA is reasonably entitled to validate a claim made under a policy it provides. And here, given the signs of cracking are in the extension which was built some five years before the cracking was reported, I'm persuaded a reasonable starting point for AXA is to seek evidence to show the extension complied with the regulations in place at the time it was built.

I haven't seen any evidence that AXA offered any assurances the claim would be settled without the information it asked for. I don't think the initial investigations undertaken by its loss adjuster are a guarantee the claim would be settled and I consider it reasonable for AXA to have instructed these. It's clear AXA has noted the depth of the foundations for the extension as something that may factor in any claim decision it might go on to make.

However, I have seen what I consider to be reasonable responses which ask for information to enable AXA to validate the claim. And while this matter has been ongoing for a long time, I don't consider AXA have contributed to any avoidable delays and I don't agree the claim has been mismanaged, as Mr K and Mrs K have alleged.

So, while I'm sorry my decision is likely to be a disappointment to Mr K and Mrs K, I don't agree AXA has acted unfairly. It follows I'm not going to require it to take any further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 11 March 2026.

Emma Hawkins

Ombudsman