

The complaint

The estate of Mrs G (the estate) complain about how AXA Insurance UK Plc handled a claim on the late Mrs G's buildings insurance policy.

What happened

The facts are well known to both parties, so I won't go into detail here. In summary, an escape of water occurred at the late Mrs G's property whilst it had been unattended. AXA initially declined a claim due to the property being unattended but eventually accepted the claim. Whilst some of the claim costs have been covered, the estate complained that the following costs hadn't:

- House occupancy/sitting
- Travel expenses
- Mortgage interest
- Solicitor fees
- Diminished Property value

The estate raised a complaint. AXA didn't think any of the above costs should be covered. Still unhappy, the estate brought the complaint to this service.

Our investigator upheld the complaint. They didn't think AXA had done anything wrong with the majority of the above costs, however they felt AXA should cover 50% of the travel expenses. AXA accepted but the estate appealed. 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, and not unreasonably decline it. So, I've thought about whether AXA acted in line with these requirements with how it handled the estate's claim.

At the outset I acknowledge that I've summarised their complaint in far less detail than the estate have, 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.

The estate has accepted the investigator's outcome on diminished property value. So, I'll only focus on the areas still in dispute. I've split these up for ease:

House occupancy/sitting

The estate hasn't provided any receipts for a professional house sitting service. They've provided an email to their local handyman about house sitting. However, the email also includes a list of jobs the handyman needs to do.

Under the policy, the property is unoccupied if it's not stayed in once every 30 days. It's not clear why the handyman needed to stay in the property so much, based on how much they charged. As part of their travel expenses, the estate have confirmed they were at the property completing repair work. So, it's also not clear why the handyman would have needed to stay. Based on what I've seen, I don't think AXA has been unreasonable in not paying these expenses.

Travel expenses

Our investigator thought it would be fair for 50% of the travel expenses to be covered. The travel costs being claimed total roughly £2,300. However, over £1,700 of these costs are for flights and a hire car. The rest is made up of petrol costs.

While I can understand it would be easier for the estate to manage repairs from the property, I don't think they've minimised their losses by how they've decided to do it. They could have contracted out the management of the repairs. They've already shown they had a handyman helping with some of the repair work. I'm also conscious there would have been some travel expenses had the claim been accepted sooner still whilst I do appreciate not quote as much.

Overall, I'm satisfied that covering 50% of the travel expenses is fair and reasonable in the circumstances of the complaint.

Mortgage interest

Our investigator didn't think that had the claim been accepted originally, the property would have been repaired any sooner. So, they didn't think the house would have been sold any sooner and the mortgage interest would have been any different. The estate didn't agree. They've said that AXA had a network of contractors to use, whereas they weren't local. They've also said there was an error with the grant of probate which also delayed the claim being accepted.

It's difficult to know exactly when the claim would have been finished if it had been accepted earlier. I think in the very best circumstances, the property would have been on the market for a maximum of four weeks sooner than it was. However, the property had already been on the market for a long period of time prior to the leak. There had been an accepted offer six months before but it fell through. The property was on the market for a further six weeks after repairs had been completed before a further offer was accepted on it. Based on what I've seen, even if the repairs had been completed earlier due to AXA accepting the claim, I'm not persuaded this would have led to it selling sooner. So, I don't think AXA has done anything wrong by not covering the additional mortgage interest.

Solicitor fees

The estate has said that the solicitor's fees were as a result of the claim being incorrectly declined. This is because they used the solicitors to help get the claim outcome changed. Whilst I accept this might be the case, as a service we don't tend to award solicitors fees as part of a complaint award. This is because there are free alternatives such as this service that can look into disputes. For this reason, I don't think AXA were unreasonable in not covering the estate's solicitor fees.

Putting things right

To put things right, AXA should refund the estate 50% of their travel expenses.

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 the estate of Mrs G to accept or reject my decision before 27 March 2026.

Anthony Mullins
Ombudsman