

The complaint

Ms B and Mr M complain about how AXA Insurance UK Plc and the loss adjusters they appointed have dealt with their subsidence claim.

What happened

Ms B and Mr M have buildings insurance for their property with AXA. In 2019 having noticed damage to their property they obtained a structural surveyor's report and were advised to submit a claim for subsidence to AXA.

Their claim was accepted by AXA and loss adjusters appointed. Ms B and Mr M are very unhappy about how their claim has been dealt with and feel that over five years on from the claim being submitted to AXA they're no closer to a resolution and in this time their property has sustained further and ongoing damage.

Ms B and Mr M have provided a great deal of information regarding their claim and how it's been dealt with by AXA and their loss adjusters. There's been a considerable difference between the work the loss adjusters consider is required and their offers based on this, and what the experts Ms B and Mr M have instructed say is required.

The evidence

The initial structural survey Ms B and Mr M had carried out in October 2019 identified cracking largely to the right hand side of the property, mainly internally, but it was noted that the main body of the house was buttressed by the single storey rear extension which might be hiding some minor movement. The report concluded that they'd been a minor episode of subsidence caused by the poplar trees close to the right hand boundary of the property on the neighbouring land.

AXA instructed loss adjusters who carried out an inspection in November 2019. Their report identifies damage to the right side of the property, with cracks being noted in the hall, porch, kitchen/diner, landing and bathroom. The pattern of the cracks was said to be indicative of an episode of subsidence. And that removal of the trees causing the movement should deal with the issue.

The loss adjusters obtained an arborist's report in April 2020. This stated that the root samples taken from trial pits had been identified as poplar and elder and the likely origin of these were the trees on the neighbouring property. The report considered the identified trees were materially contributing to the subsidence damage and recommended their removal.

The trees were eventually removed in August 2021. Ms B and Mr M say there was considerable delay in arranging this as the solicitors instructed by AXA contacted the leaseholder rather than the owner of the neighbouring property.

Ms B and Mr M obtained a further surveyor's report in February 2022. This stated that eight months on from removal of the trees the loss adjusters wanted to carry out remedial works. Ms B and Mr M had asked the surveyor to advise on the necessary repairs where the rear

extension joins the main right-hand side of the property

It's noted that poplar trees still remained on the right-hand boundary to the rear of the property and it's stated that these shouldn't be allowed to get out of control in size or height.

Internal cracking was said to have slightly closed since their October 2019 report so the trees had been correctly identified as the problem. Cracks were said to now be hairline, generally at stress points above doors, and around windows and lintels. It was recommended the cracks be raked out and the cracked brickwork repointed with an epoxy mortar. And the cracks then be refilled with an Expamet expanded metal and the affected areas replastered.

Externally between the left-hand side of the property and the extension a Heli fix repair was recommended across the joints, with repointing having first raked the joint out with an epoxy mortar. In addition a ridge in the kitchen floor and cracking where the extension joined the main property which will require levelling.

The surveyor said that while monitoring had basically shown that movement was complete, they recommended a full 12 month period between removal of the trees and repairs, allowing the work to be carried out in July/August 2022.

Ms B and Mr M had also reported damage to their blocked paved driveway caused by tree roots. They were advised by the loss adjusters that this wasn't related to their subsidence claim.

Regrowth of the tree stumps was cut back by the tree owners in August 2022.

Ms B and Mr M submitted their repair quotes to the loss adjusters in October 2022 and were advised that an approved network contractor would attend and produce a costed schedule of works. The contractor attended on 27 October 2022.

In June 2023 Ms B and Mr M were advised that the schedule of works hadn't been approved and a site visit with them and one of their approved contractors in attendance would be arranged. In August 2023 the loss adjusters advised Ms B and Mr M that a site visit wasn't necessary and made a cash settlement offer of £2,459.96 from which their £1,000 policy excess was to be deducted.

In November 2023 Ms B and Mr M obtained a further report from a subsidence claims practitioner which considered the damage to their property and the full scope of required repairs.

The report says that after the trees were removed Ms B and Mr M were expecting the loss adjusters to arrange a further inspection, but this never happened. It details the findings recorded in the February 2022 report and the repairs recommended.

The report noted crack damage to Ms B and Mr M's kitchen, lounge, hall, landing, bathroom and front right bedroom. Externally there was cracking at the junction of the rear extension and main house, the driveway needed re-levelling and the front boundary wall needed to be repaired. In the front left bedroom cracks around the window, which had been filled, had reopened. And the bottom of the window frame had separated from the wall and was letting water in.

The loss adjusters had advised Ms B and Mr M to obtain quotations for repairs and redecoration. They obtained two quotes. The first dated 12 April 2022 was for £18,960 plus VAT, and the second, which was undated, was £33,874.36 plus VAT. This was submitted to

the loss adjusters. But an updated quotation of £40,851.81 plus VAT hadn't at the time been sent to the loss adjusters or AXA.

The significant difference in these quotes was said to be because the scope of the works allowed for differs greatly. With the cheaper quote not allowing for any works to external features, or works to doors, windows etc. Ms B and Mr M had obtained further quotes in respect of this additional work which totalled £14,217 inclusive of VAT.

The report concluded that there was evidence of downwards/rotational movement to the foundations of the right hand side of the property and the rear extension. They'd not seen any schedule of works or costings from the loss adjusters but having reviewed the costed schedules/quotes Ms B and Mr M had obtained felt that the quote of £40,851.81 plus VAT was the most realistic to rectify all the subsidence related damage.

They recommended the loss adjusters provide an accurate timetable to conclude the claim. And provide confirmation that steps have been taken and agreement obtained from the owners of the trees to ensure the trees responsible for the damage are no longer active, the stumps will be treated if necessary, and that all remaining trees will be maintained at their current size and a regular programme of tree maintenance put in place.

They recommended a site meeting so that the full extent of the remedial works can be seen by the loss adjusters. And they then arrange for one of their approved network contractors to carry out the necessary work as this couldn't be completed for the cash settlement offered.

Ms B and Mr M provided the further evidence they'd obtained to the loss adjusters. The contractors the loss adjusters had instructed provided them with an amended schedule of works in April 2024 as the original schedule hadn't been approved. This didn't cover all the works their experts had told them were required. The loss adjusters sent them the same schedule of works in May 2024 which was followed by a further cash settlement offer of £9,914.27 on 17 May 2024.

The complaint

Following this Ms B and Mr M complained to AXA in July 2024.

They complained about the following: -

1. An inadequate initial assessment. They say the loss adjuster who attended their property in November 2019 told them carrying out assessments wasn't his usual role. And that his initial findings were used as a basis for preparing a schedule of work, despite ongoing damage and the condition of their property deteriorating.
2. Delay in removing the trees identified as the cause of the damage. They say that despite them confirming who owned the neighbouring property where the trees were located the solicitors instructed by AXA spent 18 months writing to the wrong people.
3. Once the trees were removed there was no reassessment of the damage. The loss adjusters relied on the outdated initial assessment although they'd advised there was significant additional damage.
4. Inadequate settlement offers which failed to consider the survey reports and quotations they'd obtained. These ranged from £1,458,74 to £9,914.27 when they'd been advised the repair costs would be up to £50,000.
5. A poor level of service and lack of communication from the loss adjusters.

6. The loss adjusters ignored the expert evidence and recommendations from the surveyors they'd instructed.
7. Failing to agree to refund the fees for the experts they felt they had no option but to instruct due to the lack of progress and poor support from the loss adjusters.
8. Unprofessional conduct by the loss adjusters who they feel have ignored further damage to their property, both before and after the trees were removed. And failing to ensure the tree stumps were treated to prevent regrowth which has damaged their driveway and hasn't been accepted as part of their claim.

To progress their claim Ms B and Mr M wanted AXA to do the following: -

1. Arrange an immediate and thorough reassessment of their property by an independent qualified subsidence expert.
2. A clear and accurate written timetable to conclude their claim without further delays, with provision for regular updates.
3. Up to date copies of the monitoring readings up to June 2022. And an explanation of why the monitoring wasn't continued after this date, when the summer of 2022 was so hot.
4. Confirmation from the loss adjusters and their arborist that the trees are no longer active, with evidence to support this.
5. Evidence that the owner of the trees has been advised about maintenance of the trees and has agreed a regular programme of tree maintenance works.
6. A site visit with the loss adjusters and their surveyor or insurance specialist present to review and agree the extent of the required remedial works.
7. A written choice of repair options. They suggested the following: -
 - a) A realistic cash settlement covering all required structural and other repairs with a full schedule of work including pricing.
 - b) All works to be carried out by one of AXA's network providers appointed by the loss adjusters.
 - c) A combination of these options where structural repairs were carried out by a network provider and a fair cash settlement offered to cover cosmetic repairs.
8. Following completion of the reinstatement works a Certificate of Structural Adequacy be provided.
9. Reimbursement of all survey and expert fees they'd incurred in support of their claim

AXA responded to the complaint on 7 October 2024. They accepted that there had been failings and errors in how the claim has been dealt with. They apologised for the poor level of communication and lack of accountability and the distress and inconvenience this had caused.

They said it was disappointing that an additional site visit hadn't taken place in 2023 and that this had led to Ms B and Mr M sourcing their own inspection on 14 November 2023. But they said a site meeting had taken place on 23 September 2024 to conclude what repairs were required.

They said the claims department would be closely managing the claim to ensure it was resolved to Ms B and Mr M's satisfaction. And they'd be reimbursing the fee for the November 2023 report, but wouldn't cover the cost of the other reports, as one was obtained prior to notification of the claim, and the other while monitoring was ongoing.

AXA paid £600 in compensation and a further £25 for not replying to the complaint within their preferred timescales.

What happened post complaint

A surveyor from the loss adjusters attended the property on 23 September 2024. Following that Ms B and Mr M were sent a copy of his notes. He said he agreed most of the schedule of works dated 23 April 2024 but there were further rooms that needed to be added – the bathroom/utility room, living room/dining room and front right bedroom. Ms B and Mr M say these had all been included in their original surveyor's report but missed in the loss adjusters initial report.

After chasing the loss adjusters in November 2024 Ms B and Mr M were sent a Certificate of Structural Adequacy. They queried this being issued at that stage with so many issues outstanding that they needed a response to. On 18 December 2024 they were contacted by the contractors to say the schedule of works had been approved but weren't provided with a copy. They were asked to pay their £1,000 policy excess.

On 28 January 2025 Ms B and Mr M received a new schedule of works, level monitoring report, cash settlement offer, cash settlement offer for the decorative repairs and a response to their outstanding queries.

They were unhappy with the response particularly in relation to the information provided regarding the management of the trees. And they said there were errors and omissions in the schedule of works. They sent AXA a detailed response to the schedule of works on 13 February 2025 setting out what additions they required.

These included repairs to the boundary wall, which they accept was in a poor condition, but they believe collapsed due to subsidence damage. And repairs to their block paving which they say was caused by the loss adjusters negligence in not ensuring that the trees were adequately dealt with when they were removed. In addition they raised concerns about no allowance for VAT in the cash settlement offers, as they'd be required to pay VAT on any work they arranged.

The loss adjusters responded to Ms B and Mr M's comments on the schedule of works on 28 March 2025. They accepted some of the additions to the schedule. In respect of the external crack to the junction between the main property and the extension they recommended repointing, saying that helibars would normally be used where movement continues. And creating masonry bars which dissipate the stress could be considered betterment.

They said the boundary wall failed primarily due to maintenance issues. The block paved drive hadn't been damaged due to subsidence but due to pressure from tree roots and they might be able to claim damages from the tree owners. They said they'd contact AXA regarding refunding the cost of their expert reports, but these wouldn't normally be covered by their policy.

They also said that an amended schedule of works would be issued once the contractor had made the amendments. And finally that a cash settlement would normally exclude VAT but this could be reclaimed on receipt of VAT invoices by the insurers.

A further complaint was raised about the ongoing delay on 8 March 2025. In this Ms B and Mr M advised AXA that the estimated for the cost of the repairs their surveyor considered necessary had now increased to £49,756.98, when the loss adjustors offer was £11,281.30.

Ms B and Mr M were unhappy that the loss adjustors continued to be instructed as they felt their mismanagement of the claim was the reason it hadn't been resolved in over five years. And they said the company who owned the adjoining land was dissolved in February 2025, which they notified AXA of on 4 March 2025, so they wanted assurances the steps were being taken to ensure the appropriate party was put on notice regarding future risks and the maintenance of the trees.

AXA responded to this further complaint on 31 March 2025. They acknowledged that Ms B and Mr M had experienced a challenging claims journey and said their claim had been escalated to the loss adjustors' regional manager to ensure it proceeded as it should. They confirmed that their solicitors had been asked to share copies of all their correspondence with the tree owners. They paid a further £250 compensation.

On 1 April 2025 Ms B and Mr M advised us that they wished to add two further points to how they wanted AXA to resolved their complaint. These were: -

- AXA to resolve the issue of the causative tree work being only partially completed and ensure the arborists provide written confirmation that the necessary work has been completed in full.
- AXA to include VAT in their cash settlement offers as they'll have to pay their builders and for materials inclusive of VAT.

Frustrated by the lack of progress Ms B and Mr M complained to our service in March 2025. Our investigator considered the case and said she was satisfied with the compensation paid to Ms B and Mr M to date but didn't think AXA had acted fairly in relation to how their claim had been handled or progressed.

She said AXA had accepted there'd been numerous errors and delays in progressing the claim and had paid £1,050 compensation to date to recognise these, and the inconvenience these had caused.

Ms B and Mr M say that the schedule of works still hadn't been completed to their satisfaction, and the cash settlements offered have been significantly too low. They remained concerned about the re-growth of the implicated trees and the impact this will have on their property going forward. They've asked AXA to re-visit their property to carry out a full up to date evaluation of their property and any new subsidence damage, to assess the new problems that have arisen since the original inspection in November 2019.

Although AXA have acknowledged their failings Ms B and Mr M feel there has been little progress on their claim since their complaint was filed.

Our investigator said there'd been errors and discrepancies with the schedule of works completed during the claim, and AXA have refused throughout to arrange another structural survey/re-evaluation of the subsidence damage. To move things forward she said AXA should organise another visit to the property by their loss adjustor to conclude and finalise a schedule of works, taking into consideration any new subsidence damage Ms B and Mr M have noticed.

She also said that Ms B and Mr M had received little explanation from AXA of why their subsidence specialist's recommendation in respect of Heli bar fixes hadn't been considered,

or an explanation of why they say these aren't required. So she said AXA should respond to this and provide an explanation of the cash settlements they've offered to date.

Ms B and Mr M wanted us to say the loss adjusters should be removed from the claim, but we didn't have the power to do this.

In respect of compensation our investigator said AXA had paid £625 compensation for delays experienced during the claim and a further £250 in their second final response letter. They then agreed to pay a further £200 due to their error in sending letters regarding tree mitigation to the leaseholder rather than the freeholder of the neighbouring property. So they've paid a total of £1,050 which she said is in line with what she'd recommend.

Our investigator said there were still elements of the complaint that AXA hadn't addressed, and if this hadn't been done since the complaint came to our service, then AXA should arrange for these to be considered.

So she recommended that AXA do the following: -

- Re-visit Ms B and Mr M's property and complete a new structural survey including all (if any) new subsidence damage.
- Complete a new schedule of works with an up-to-date representation of the current property damage and required repairs, including AXA's rationale behind those repairs.
- Provide Ms B and Mr M with a full response and rationale on the use of Heli bars and why they believe these aren't required.
- Provide Ms B and Mr M with a full explanation of the cash settlements offered and (if AXA are unprepared to cover the full quotes they've provided) why the amount is fair and in line with the policy terms.
- Organise a re-visit (if required) or a full response on the implicated trees, and whether the re-growth requires further action before repairs can be carried out on the property.

AXA accepted our investigators opinion. Ms B and Mr M responded saying they largely accepted our investigator's recommendations but they wanted her to add the following: -

- Recognition of the urgent limitation deadline (in respect of taking action against the owners of the neighbouring property in respect of the trees).
- Independent structural survey (or their surveyor being present).
- AXA be their point of contact (not the loss adjusters).
- VAT be included in any cash settlement.
- Reimbursement of the cost of their expert reports.
- New evidence regarding omitted complaint points and their impact.

Our investigator responded saying that we could only consider complaint points that had been raised with AXA and which they'd had the opportunity to respond to.

Ms B and Mr M had made a DSAR request to AXA. As a result of the information provided they felt that the time limit for taking any proceedings against their neighbours in respect of the trees was September 2025, and they wanted our investigator to consider this. Our investigator said we'd not been provided with any response from AXA regarding this, and we couldn't consider it as part of this complaint.

In respect of an independent structural survey, our investigator said it was for AXA to determine if a further structural survey was required, but if Ms B and Mr M wanted their surveyor present when AXA visited they could arrange this.

She said she couldn't recommend that AXA rather than the loss adjustors be Ms B and Mr M's point of contact.

She also said that she couldn't recommend that VAT be included in any cash settlement offer.

And she also said we cannot look at AXA omitting complaint points as this isn't a regulated activity.

The case then came to me for a decision. I issued my provisional decision on 29 January 2026. And in it I said: -

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

Subsidence claims by their nature tend to take some time to resolve as they will require investigation, possibly removal of vegetation, a period of monitoring and only after it's confirmed that movement has stabilised can the claim move to the repair stage.

AXA accept that there have been delays in this case and have paid Ms B and Mr M £1,050 compensation, although £50 of this was for not responding to a complaint within their accepted timescale.

While AXA have accepted and apologised for the delays I don't think this recognises how lengthy those delays have been. AXA had provided a timeline of the claim which has been shared with Ms B and Mr M and this illustrates how lengthy the delays have been and how much chasing they've had to do to try and progress their claim. So I can understand their frustration and that having submitted their claim to AXA in 2019 they feel they're no nearer to a solution.

I've set out details of the evidence obtained, most of it by Ms B and Mr M. Their experts have recommended that the joint between the main property and the extension requires a Helibar repair. AXA haven't explained why they don't consider this to be necessary.

Nor have they provided an explanation or breakdown of their cash settlement offers. These are a fraction of the costs set out in the estimates Ms B and Mr M have obtained to carry out the work their experts say is required.

I can understand why Ms B and Mr M have lost confidence in the loss adjustors and I think more is needed than for them to re-visit the property and prepare a new structural survey.

I'm persuaded that to move the claim forward an independent structural survey is required and given Ms B and Mr M's concerns about the ongoing impact of the trees on the neighbouring property, the report should consider what action is required regarding the trees and whether a root barrier would be appropriate.

Once the report, and any further evidence the surveyor recommends, is available, then an updated schedule of works should be prepared to include all the repairs the surveyor says are required.

Ms B and Mr M's policy says that with a claim for loss or damage to their buildings AXA will pay the reasonable cost of "repairing or replacing the damaged part of your buildings and agreed fees and related costs." And "If it is possible to repair the building but you ask us to settle the claim using cash or cash equivalent, and we agree to do so, we will pay what the cost to repair the damage to your buildings would have been."

Once the surveyor's report is available Ms B and Mr M can decide whether they are happy for approved contractors appointed by AXA to carry out the required repairs.

If they wish to arrange the work themselves and receive a cash settlement then the policy provides for such settlement to be limited to what AXA would pay their contractors to complete the work, so it's likely to be less than the quotes they've obtained. Ms B and Mr M will have to pay VAT to builders and on materials. Assuming neither Ms B or Mr M are registered for VAT they won't be able to reclaim the VAT they pay so on submission of VAT invoices AXA should either pay these or refund the VAT paid to them.

Ms B and Mr M's policy only covers damage to boundary walls and paving in relation to a subsidence claim if the damage occurs at the same time and from the same cause. Ms B and Mr M have said that their boundary wall was in a poor condition prior to the subsidence being noticed. AXA have said that primarily cause of the collapse was lack of maintenance, which isn't covered by their policy. In the absence of any evidence to support that the damage was caused by subsidence, I don't think it's covered by their policy.

In respect of the damage to their paved drive this appears to have been caused by tree root regrowth, rather than subsidence, so I'm not persuaded that it's covered by Ms B and Mr M's policy. But this is something that AXA should review once the independent surveyor's report is received.

The policy only provides for expert's fees to be covered if these have been agreed or approved in advance by AXA. Ms B and Mr M instructed a surveyor in October 2019 before they submitted their claim to AXA. So the cost of this isn't covered by their policy.

Given AXA's and their loss adjuster's approach to the claim I'm persuaded that it was reasonable for Ms B and Mr M to obtain the second report from their surveyor. I say this because of the delays in the progress of their complaint and the level of the cash settlement offers made by the loss adjusters. I think it was entirely reasonable for them to seek expert guidance, and in the circumstances of the case AXA should meet the costs of this report.

I can't recommend that AXA don't continue to instruct the loss adjusters but they should ensure that the claim is progressed and check in with Ms B and Mr M on a regular basis until settlement of the claim is agreed, once a month seems a reasonable timetable for this.

AXA have accepted that Ms B and Mr M have received poor service and they've been numerous delays with their claim. They've had sight of AXA's timeline and I've considered this and the detailed timeline they've provided. Having considered both of these I don't think the compensation they've offered is enough.

It's clear that Ms B and Mr M have had to spend a lot of time chasing the loss adjusters and AXA in an attempt to progress their claim. Far more time than I'd expect even with a subsidence claim. Cash settlement offers have been made without any explanation of how these have been arrived at and seeming to ignore the evidence regarding the extent of the damage. This has all added to Ms B and Mr M's frustration and distress.

Taking everything into account I think £2,500, inclusive of the amounts already offered, is the appropriate level of compensation for the distress and inconvenience they've experienced as a result of AXA's handling of their claim.

As our investigator has said we can't consider new complaint issues that AXA haven't had the opportunity to consider. So I can't address the issue Ms B and Mr M have raised regarding proceedings being taken against the owner of the neighbouring property in relation to the trees.

Putting things right

To put things right I require AXA to do the following: -

- To arrange an independent surveyor to assess the damage to Ms B and Mr M's property including considering whether a root barrier is required to address damage caused by the trees on the neighbouring property.
- Arrange for a full costed schedule of works to be prepared based on the work the surveyor says is required.
- If Ms B and Mr M decide that they want a cash settlement to pay the relevant VAT on receipt of a VAT invoice.
- To refund the cost of the second surveyor's report to Ms B and Mr M together with 8% simple interest from the date payment was made for the report until payment is made by AXA.
- To pay £2,500 compensation (Inclusive of the sums already paid) for the distress and inconvenience Ms B and Mr M have experienced as a result of the poor service and delays throughout their claim.

So my provisional decision was that I upheld Ms B and Mr M's complaint.

AXA have advised us that they accept my provisional decision. Ms B and Mr M have also indicated that they accept my provisional decision but they want assurance that the independent structural survey is genuinely independent and transparent. And they want to be provided with a copy of the report at the same time as AXA.

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.

As both parties have indicated that they accept the findings in my provisional decision I only need to consider Ms B and Mr M's comments in respect of the independent structural survey.

Given how their claim has progressed to date I think it's reasonable that Ms B and Mr M want to ensure the structural survey is genuinely independent and that they receive a copy at the same time as it's sent to AXA. So I'm going to direct that the parties agree the structural surveyor to be instructed within 21 days of Ms B and Mr M's acceptance of my final decision. And that a copy of the surveyor's report be sent to them at the same time it's sent to AXA.

Putting things right

To put things right I require AXA to do the following: -

- To arrange an independent surveyor to assess the damage to Ms B and Mr M's property including considering whether a root barrier is required to address damage caused by the trees on the neighbouring property.
- To agree with Ms B and Mr M the details of the structural surveyor to be instructed within 21 days of their acceptance of my final decision.
- To instruct the surveyor that a copy of the report is to be sent to Ms B and Mr M at the same time as it's sent to AXA.
- Arrange for a full costed schedule of works to be prepared based on the work the surveyor says is required.
- If Ms B and Mr M decide that they want a cash settlement to pay the relevant VAT on

- receipt of a VAT invoice.
- To refund the cost of the second surveyor's report to Ms B and Mr M together with 8% simple interest from the date payment was made for the report until payment is made by AXA.
 - To pay £2,500 compensation (Inclusive of the sums already paid) for the distress and inconvenience Ms B and Mr M have experienced as a result of the poor service and delays throughout their claim.

My final decision

For the reasons set out above and in my provisional decision my final decision is that I uphold Ms B and Mr M's complaint about AXA Insurance UK Plc. And I require AXA to take the steps set out above.

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

Patricia O'Leary
Ombudsman