

complaint

Mrs F complains that AXA Insurance UK Plc wouldn't renew her policy and she lost her legal expenses cover and incurred costs which she would otherwise have been able to claim.

background

Mrs F owned some holiday cottages that were insured as part of a holiday cottages scheme. The scheme was underwritten by AXA and administered by a broker that was required to abide by the underwriting guide provided by AXA.

In 2013 the broker wrote to Mrs F and declined to renew the policy due to the number of claims she had made. Mrs F's legal cover also ended. Mrs F said she was distressed about having to find a new insurer and said her new policy had a higher excess and wouldn't cover the legal work being done on her ongoing claim.

The adjudicator said that AXA had dealt with Mrs F's complaint fairly. He said she had made several claims and the refusal to renew her policy followed AXA guidelines. He said that adequate notice was given to Mrs F so she could make alternative arrangements.

Mrs F disagreed with the adjudicator and said that there must have been an amendment to AXA's guidelines for her policy to have been renewed in previous years and she hadn't received notice of this. Her complaint has been referred to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. The broker has acted under the delegated authority of AXA in dealing with Mrs F's insurance and this complaint is correctly set up against AXA.

I have looked carefully at Mrs F's policy and claim record. Mrs F said the number of claims was increased because the broker had treated her claim for storm damage as four separate claims, when it should be counted as a single event. Notwithstanding this she's made several other claims under the policy in the five years before renewal was declined.

We've obtained AXA's guidelines for the policy and these are clear in that the broker may decline to renew the policy following a number of claims. The broker has checked the guidelines with AXA who confirmed it wouldn't invite renewal of Mrs F's policy.

There doesn't appear to have been any changes to the guidelines in the year before the renewal, but I don't think this meant it couldn't decline renewal when it did. I think the decision not to offer renewal was made in accordance with AXA's guidelines. Mrs F said she was distressed to have to find a new insurer at short notice. The broker wrote to her over three weeks before the renewal was due. This is in line with the Financial Conduct Authority regulations and I think this was reasonable notice that the policy would not be renewed.

The legal expenses insurance was a separate policy with another insurer, which was an add-on to the holiday cottage policy. When the holiday cottage policy ended the legal expenses cover ended at the same time. I think this was to be expected as it is only sold with the holiday cottage policy and isn't available on its own.

When the policy wasn't renewed, the broker wrote to Mrs F and said it didn't have any other policy that would meet her needs and so it couldn't offer her an alternative. I sympathise with Mrs F for the difficulties she has faced following the non-renewal of her policy. However for the reasons I've given I think it was reasonable for the renewal of the policy to be refused.

my final decision

It is my final decision that the complaint is not upheld. I make no award against AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 4 April 2016.

Andrew Fraser
ombudsman