

complaint

T's complaint is about the way AXA Insurance UK Plc handled its claim for fire damage.

background

T's premises were damaged by fire. It took nearly a year to agree a settlement with AXA. T complained that this was too long and it wanted to be reimbursed for rent it had paid for alternative premises whilst its premises were unusable..

Our adjudicator felt that AXA had behaved reasonably and T referred its complaint to an ombudsman.

my findings

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

I think there were two main areas where there may have been avoidable delay.

The first is that T's claim specialists took two months to decide they couldn't match the other reinstatement quotes AXA had received. T has suggested this was AXA's fault but it was T's appointed specialists who took all this time to respond. T has separately complained to its claims specialists about this delay and it removed them shortly afterwards. I don't think it would be fair to make AXA responsible for T's claims specialists.

The second is that AXA initially offered much lower sums for buildings and contents than it eventually agreed. T's brokers had to involve their own loss assessors and it took around six months from the initial offer to reach an agreed figure. AXA has said that the settlement involved its loss adjuster using his discretion to agree higher amounts than allowed in the quote in order to reach resolution.

But I've seen evidence the initial quote fell short of full reinstatement in a number of important areas. I've also seen references by the loss adjuster to T's case for these additional costs having been reasonably presented and substantiated. If that's the case, these higher amounts should have been included all the time. And T shouldn't have had to involve its brokers' loss assessors and spend six months in order to get there. I think AXA can be held responsible for at least some of this delay.

Where we think delay by the insurer has caused additional distress or other difficulty we may award compensation. T is a company, so it can't suffer distress in the same way as a person but it would be possible to compensate it if delay caused it particular inconvenience or it had to spend money it wouldn't have otherwise.

T has claimed for the cost of renting alternative space whilst its own premises couldn't be used. It appears T didn't have cover for business interruption or relocation, so the only way I think AXA could be responsible for these costs would be if they were only incurred because of AXA's fault.

But the evidence I've seen suggests that the rental payments had already stopped before T had challenged AXA's works specifications. It took more than another three months for AXA

to agree the settlement figure but I can't say this contributed to T having to pay more rent, as the rent had already stopped by that point.

I haven't seen any evidence that T suffered any other particular inconvenience or loss as a result of delay in settling its claim. I appreciate that it was a deeply frustrating experience for the people working there but this isn't their complaint, it's T's and I can only compensate T.

AXA has already offered to pay T £3,600 as a good will gesture in recognition of some of the difficulties T experienced in making its claim and I think this was fair. There was a problem with the cheque initially produced for this payment and I think T may not yet have had the replacement. If that is still the case, AXA should send it to T as soon as practicable.

my final decision

For the reasons given above, my final decision is not to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 13 November 2015.

Jonathan Coppin
ombudsman