

complaint

Mrs F is unhappy with the handling and settlements offered by AXA Insurance UK Plc following her claims for damage to her home and her rental properties.

background

Many elements of Mrs F's claim were delayed, there were disputes over who appointed parties and Mrs F brought her complaint to this service.

Our adjudicator upheld the complaint on certain points. She said there were issues with the standard of works carried out and the electricity costs should be considered further. Our adjudicator also felt the restoration company's (Firm R) costs needed paying for and that AXA should pay £750 compensation.

AXA didn't accept this. It requested a final decision from an ombudsman.

my provisional findings

Repeated below are the main elements of my recent provisional decision:

"renewal problems

Recent correspondence leads me to think that Mrs F is now making a new and separate complaint for this particular issue. Therefore, I will not comment any further on the point or make a finding on it.

standard of work

The first issue is that there appears to be no agreement on is who appointed the building contractors. I don't intend to get too heavily into this debate. Mrs F made a claim and she would expect AXA to deal with her claim. Any actions taken by AXA to try and remove itself from involvement I don't find fair or reasonable. Mrs F should be entitled to expect her insurer to be involved in dealing with her claim unless she specifically insisted on other actions – I can't see that this was the case here. Mrs F has had to deal with as many as seven loss adjusters and due to the initial lack of progress she did indeed have to take some action to get her claim moving. The lack of action from AXA to deal with the claim from the start doesn't allow it to walk away from Mrs F's reasonable efforts to get things done. Also I note that the builders and the surveyor arranged to have their mandates paid directly by AXA. This doesn't suggest to me that the loss assessor was in charge of these arrangements but it does suggest that AXA was. It has said that its role was purely to validate items and ensure they were covered under the policy, nothing more. However, I can't see that it clarified or stipulated this clearly to the other parties involved, especially Mrs F.

What is clear is that there are many issues in relation to the work that has been undertaken, work that hasn't been done, other work that wasn't included originally, but should have been, and certification/building requirement standards that don't have the appropriate regulatory documentation. I find this to be unfair and unreasonable. In light of my comments above and the clear oversight and involvement the numerous appointed loss adjusters (Mrs F suggests there were at least seven different individual loss adjusters). I find that AXA is responsible and should take action. At any point the loss adjuster could have said no as it had overall

approval for any works or even the contractors and it didn't. There were times throughout the claim that Mrs F has pointed out when works did stop to ensure AXA (or its loss adjusters) had the chance to review works and agree the next stages. It is clear from this that AXA had the final say and I find for AXA to say it had no control or involvement is unreasonable.

Just recently Mrs F provided photos to show some of the outstanding problems. It seems as though AXA has been waiting for this decision before taking action. I confirm that I find AXA responsible. It should deal with the invoices already provided to it by Mrs F and reconsider all the costs she has provided to it. Mrs F suggested she was unsure what she should do with the £20,000 offer from AXA as it wasn't enough. I have no reason to doubt what Mrs F said. But AXA said this figure was agreed and paid following a meeting. AXA now want a priced schedule of further works and confirmation of recoveries made by Mrs F through the courts before taking further action. Mrs F wants AXA to provide a breakdown of the amounts that make up the £20,000 which seems reasonable. Within recent paperwork Mrs F has provided details of invoices for £7,456.80, £2,057.11 (now revised to £2,732.19), £160.00 and £4,369.74 with the suggestion that this was just to get a couple of rooms fully functional again and deal with some regulations/certification. Mrs F has also pointed out that there are likely to be further works uncovered when repairs are completed. So it may well be difficult to get clarity on her likely final costs. However, Mrs F and AXA should be able to provide each other with breakdown of costs for all outstanding claim related works required subject to the parties providing each other with the requested breakdown of amounts.

alternative accommodation

Mrs F suggests that from the start of her claim this wasn't offered. It seems this wasn't really considered until Mrs F appointed a loss assessor. Mrs F said she had to involve the assessor due to the amount of rental income she was losing. A settlement figure for the whole claim was agreed with AXA at around £179,000 but shortly afterwards AXA retracted this and Mrs F had to arrange accommodation elsewhere for her mother (without any rental allowance) while she herself moved into a caravan.

Mrs F said that only sometime later when other experts were appointed did she get an agreement for six month alternative accommodation for herself. But when the six months was over and no other accommodation was arranged Mrs F had to stay with friends and make other arrangements (including sleeping in her car at one point) as her home still wasn't habitable. Around a further nine months later Mrs F did move back into her home even though as far as she is concerned it was still uninhabitable. Apart from Mrs F and her mother no allowance and costs were paid for her pets during the period either.

I can see that it was felt the alternative accommodation provided to Mrs F was suitable for pets by AXA. Also there was a debate around whether or not Mrs F's mother lived with her full time or not. But I find that AXA should have handled this aspect of the claim much more carefully. It doesn't seem to me that alternative accommodation was offered early enough or for long enough. **Therefore, a fair and reasonable outcome would be for AXA to pay the equivalent cost of three months alternative accommodation. This should be based on what it paid for the six month period when Mrs F was in alternative accommodation.**

contents claim

There is a discrepancy of around £5,000 between Mrs F's claim and what AXA has paid out under this section. Based on the evidence I have seen I think AXA has acted reasonably here.

storage and restoration costs

I have seen an email on the file that shows the loss adjuster acting for AXA clearly state that it agrees to Firm R being appointed "to examine, recover and report on the items listed". This was then passed on by the loss assessor to Firm R. Whatever AXA may think about who appointed who it's clear that Mrs F and those appointed by her felt that they were checking and gaining agreement from AXA before anyone else was appointed. If this wasn't the case AXA should have made it clear. I find that AXA should deal with Firm R's costs minus any periods of time when the claim was on hold due to property rentals.

loss of rent

I understand that Mrs F maybe considerably out of pocket based on the payment of £25,000 which is the policy limit. However, I find that AXA acted reasonably when it paid out this sum. There was debate about a second property which is covered under another policy. Our adjudicator commented on this but as it's a separate policy I think it would need to be considered as a separate issue. AXA has said that nothing was paid out under the other policy as there was no damage and no claim was made under it. Mrs F may need to look at a claim under the other policy.

electricity costs

I have seen electricity bills on this case and Mrs F said she did send past and present bills to the loss adjuster. Mrs F wants £2,000 and so far AXA has paid £500. But AXA is willing to consider further payments and said if Mrs F can again provide costs for the year prior to the loss it will do so. I find this to be reasonable.

new surveyor costs

It's clear to me that Mrs F took the decision to involve a new expert surveyor to try to get the claim resolved. However, it's also clear that AXA didn't agree to fund the costs. So I find AXA hasn't acted unreasonably not paying costs for now. But there is a need to move things along to a conclusion and AXA has requested a priced schedule of further works. If Mrs F can get the new surveyor to produce this then I find that AXA should pay for it.

compensation

I find that Mrs F has suffered both a personal and a professional impact due to the handling of her claim. There have been delays, there were errors from the start and there have been issues with the standard of work and long outstanding work. Mrs F has pointed out the impact this has had on her health and her family life. I find that it's clear that there has been a lot of distress and inconvenience caused to Mrs F and so she has suffered significantly. AXA should pay Mrs F £1,500 as compensation for this."

Mrs F sent in several responses. I will highlight below the key elements:

- Mrs F is currently out of pocket for the sum of £14,043.65. AXA should pay this immediately to allow the claim to move on;
- The initial 2013 report cost £2,892.00 and AXA should pay this as it's linked to the claim;

- For the new surveyor to issue a full and detailed report of the outstanding works and costs Mrs F needs assurance that she can appoint the surveyor and that AXA will pay for this;
- AXA hasn't paid for the building inspector who supervised the lounge floor fitting;
- Mrs F will request that Firm R return her items and that these come back before Christmas;
- Mrs F has outstanding legal costs against Firm R – despite having no contract with them;
- There are items Firm R has damaged but Mrs F cannot assess this until she gets back all her goods;
- Mrs F said one of the invoices noted in my provisional decision for £2,057.11 needs to be revised to £2,732.19.

In the limited time I gave the parties AXA was unable to respond.

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 don't dispute what Mrs F said about what costs are outstanding. I also confirm as noted in the provisional decision that AXA should reconsider any costs that Mrs F has provided to it. I accept Mrs F's point about the new surveyor and agree that what she requests above is in line with my provisional decision. Also AXA should pay the costs for the new surveyor to produce the priced schedule for further works. I don't know about the building inspector costs – Mrs F needs to refer these costs to AXA for it to review. Although I have said AXA should pay Firm R's costs I didn't extend that into Mrs F's legal costs against Firm R. I don't think those can be considered until Mrs F has her items back and can assess these before deciding what to do next. I have revised the amounts noted on the invoice as stated by Mrs F.

Based on the further evidence I see no reason to depart from my provisional decision.

my final decision

I uphold this complaint.

I require AXA Insurance UK Plc to:

- pay the outstanding schedule of works costs and consider other costs Mrs F has provided;
- pay a further three months alternative accommodation costs based on the cost of the previous alternative accommodation costs;
- pay Firm R's costs;
- consider any further evidence of electricity costs;
- add to any cash settlements 8% simple interest per year from the date of loss to the date of settlement, less any tax properly deductible;
- pay £1,500 compensation for the distress and inconvenience suffered.

I make no other 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 6 November 2015.

John Quinlan
ombudsman