

## **complaint**

Mr J's unhappy with the way AXA Insurance UK Plc handled his household insurance claim when his home was burgled.

## **background**

Mr J's wife (Mrs J) has been involved in this complaint mainly. But because the policy's in Mr J's name I have to address my decision to him. To avoid confusion, I've referred to anything Mr and/or Mrs J have said/done as having been said/done by Mr J.

In May 2014 the house was burgled. Mr J reported it to AXA straight away. AXA immediately instructed a loss adjuster. Two days after the burglary, Mr J was emailed telling him the loss adjuster's details and making an appointment to visit the house ten days later.

The loss adjuster raised a possible under-insurance issue with AXA on 28 May 2014. But this was resolved a week later and permission given to settle in accordance with the policy's limits. The loss adjuster's report was sent to AXA on 4 June 2014 and the specialist jewellery valuation report was sent on 16 July 2014.

AXA called Mr J to discuss settlement on 5 August 2014. AXA told him part of it would be limited to the £25,000 cap under the safe and safe keys endorsement on the policy. The settlement figure was then agreed a week later, and the payment requested the next day.

Our adjudicator didn't uphold the complaint. She thought that AXA should have told Mr J about the endorsement at the beginning and that there had been unnecessary delays. But that the £200 compensation AXA had already given Mr J (£100 cheque and £100 excess) was reasonable. Mr J disagrees. He says AXA misled him by not telling him about the £25,000 cap earlier in the claim process. And he says the loss adjuster failed to treat them fairly when they were very stressed and upset. And this caused them more distress.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided not to uphold Mr J's complaint. I'll now explain why.

### *safe and safe keys endorsement?*

When deciding if an insurer can rely on an endorsement we look at if it was made clear to the customer. Insurers shouldn't hide important terms in the small print of a long policy document.

In this case the policy schedule sent to Mr J at renewal in 2013 showed the safe and safe keys endorsement. Mr J was clearly shocked when AXA told him about this limit in August 2014. So it seems he either didn't notice the endorsement on the schedule or later forgot about it. But I think AXA had done enough to draw it to his attention, so can rely on it.

AXA accepts it should have highlighted the limit to Mr J at the start of his claim. And I agree. Mr J's said they spent a lot of time and effort proving they owned items that ultimately they wouldn't be able to claim for. The claims process we'd expect to be followed in a case like this would be for the consumer to claim for all their losses (including proving ownership), the value of those items to then be established, and then any limits or restrictions on the policy

to be applied to the total.

This seems to be what happened here. So I don't think Mr J had to do anything extra because AXA didn't mention the limit earlier. But I do think that the delay meant Mr J got a false expectation of how much his claim was worth. And I think finding out about the limit at the last minute would have been distressing. Especially after the stress of being burgled.

#### *behaviour of the loss adjuster*

Mr J's told me he and Mrs J felt 'bullied' by the loss adjuster. And that she should have known that they were stressed, and treated them appropriately. Mr J's been consistent about this in his dealings with AXA and this service. Describing a very poor experience when the loss adjuster visited the house.

This fits with the site notes from the loss adjuster. Those describe a normal friendly visit until the loss adjuster mentioned that Mr J may be under-insured. At this point the loss adjuster says Mr J got angry and annoyed. That would be entirely understandable. Mr J was making a substantial claim. He had what he thought was a generous level of cover. But this could reduce how much AXA would pay for his claim.

So I think that despite the loss adjuster arriving late for the appointment, it was probably good-natured to start. But the possibility of being under-insured probably panicked Mr J. And from that moment he may have felt the loss adjuster was looking for ways to reduce or avoid his claim. This would fit with Mr J's reference to her checking window and door locks.

So I think the visit was very stressful for Mr and Mrs J. But I don't think this was because the loss adjuster did anything wrong.

#### *delay in resolving claim*

AXA's accepted that there was 6 to 6½ weeks of delay in resolving Mr J's claim. From reviewing the case file I think this is fairly generous. Particularly as the target resolution date the loss adjuster gave Mr J was 31 July 2014. Only 2 weeks before the final payment was made. But six weeks is a lot when it took less than fifteen weeks from burglary to payment. And I think AXA should have resolved it more quickly.

So I think AXA should have told Mr J about the safe and safe keys endorsement, and settled the claim more quickly. And I think it should compensate him for the distress and inconvenience these caused. AXA's already given Mr J £200 compensation. I think this is in line with what I'd have awarded in this case. So I don't think AXA should have to pay more.

#### **my final decision**

For these reasons I've decided not to uphold Mr J's complaint against AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 13 November 2015.

Mike Foster  
**ombudsman**