

The complaint

Mr D complains about the way AXA Insurance UK Plc dealt with a buildings insurance claim and the distress caused by delays with the claim.

What happened

Mr D is the leasehold owner of a flat. The building insurance is arranged by the freeholder but he is able to claim on the policy. He made a claim in 2021 for damage to his flat, which is let to tenants, following an escape of water.

The claim for damage was settled in January 2022. But Mr D said he needed to arrange alternative accommodation for the tenants while the repairs were carried out and complained when AXA did not agree to this.

AXA provided its final response to that complaint in October 2022.

When Mr D referred that complaint to this Service, our investigator said they thought AXA should provide alternative accommodation and AXA accepted their view.

Mr D then made a further complaint about delays between November 2022 and March 2023. AXA sent its final response to this complaint in April 2023, saying it accepted there were some delays replying to correspondence, but Mr D had been advised it would not pay any more towards the damage claim; the claim had been settled and it was for him to proceed with the repair work once he had the funds.

AXA paid compensation of £350 for the distress caused to him by the delays.

Mr D remained unhappy and referred this complaint to ombudsman. He said the ongoing persistent delays had caused him anxiety, distress and inconvenience, and as AXA wouldn't increase the settlement, he had to get the work done within the existing settlement. He did not think £350 was not enough to recognise all the distress, anxiety and inconvenience caused, and he had also suffered a loss of rent and other expenses.

Our investigator explained that he couldn't consider any issues that had been considered as part of the earlier complaint, or more recent issues that had occurred after April 2023.

The investigator agreed there had been some delays between October 2022 and April 2023 but thought the compensation of £350 paid for that was reasonable.

Mr D disagreed and provided some further comments but the investigator didn't change his view, so the complaint has been passed to me to determine.

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.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and settle claims promptly once settlement terms are agreed.

AXA has accepted there were some delays between October 2022 and April 2023, so that's not in dispute. And it has paid compensation of £350 for the distress and inconvenience caused by that. Mr D doesn't agree that is a fair sum to reflect the amount of distress caused to him. So I need to decide whether any further payment should be made.

The original claim was made in 2021 and it took a long time for everything to be dealt with. The whole process has been very upsetting for Mr D, but I can't consider the whole history of the claim. We have already looked into a complaint about how it was dealt with in 2022 and another complaint about more recent events. In this decision I can only consider the delays between October 2022 and April 2023, and the impact of those delays on Mr D.

Mr D says it was difficult dealing with the repairs because costs had increased after AXA settled the claim, but as I've said, I can't consider any earlier issues. And he was able to complete the repairs.

The fact Mr D's flat was damaged would have been upsetting and having to make a claim would always have caused some inconvenience. What I'm considering is the additional distress and inconvenience caused by the delays in responding to Mr D during the relatively short period covered by this complaint.

I understand Mr D had health issues during that time which he says were caused by the distress and anxiety AXA caused. I don't doubt the difficulty of his situation but not all of that was due to failings by AXA. What I can say is that delays during that period made an already difficult situation worse. Thinking about the period involved, I think the compensation paid of £350 is fair to reflect the additional distress Mr D was caused during that period.

Mr D has also referred to a loss of rent claim and other losses. AXA noted in April 2023 it was waiting for details of the loss of rent; if that wasn't resolved, any complaint about that would need to be dealt with separately.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 October 2024.

Peter Whiteley
Ombudsman