

The complaint

Ms M has complained about how AXA Insurance UK Plc (AXA) dealt with a claim under a home insurance policy.

References to AXA include companies acting on its behalf.

What happened

Ms M made a claim for an escape of water. AXA investigated the claim. Ms M later complained because of the slow progress on the claim, including the length of time it was taking AXA to locate the leak

When AXA replied, it accepted there had been continued delays with the claim and failed communications. It said a Claims Manager would urgently review the claim to get it back on track and to update on next steps. It also offered £450 compensation.

Ms M later complained again because of the ongoing issues with progressing the claim and stopping the leak. When AXA replied, it offered a further £150 compensation.

When Ms M complained to this service, our investigator said there had been delays progressing the claim over several months. It also took a significant amount of time to find the internal leak and it was still then not fixed. The investigator said the total compensation of £600 was reasonable in the circumstances to address the impact on Ms M.

As Ms M didn't agree, the complaint was referred to me.

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.

My decision only covers the period up to 31 October 2023, which was the date AXA sent its second complaint response. I'm aware Ms M has raised further concerns about the claim and how it has been dealt with since that date. However, I'm unable to consider this as part of my decision.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. So, I've thought about what happened in this context.

There seemed to be some initial issues with registering the claim. When the claim was accepted it was identified that Trace and Access was required. However, Ms M had to chase AXA, as she had heard nothing further for about a month after the first Trace and Access visit. The records show there were internal delays with getting the visit report and its recommendations approved. This part of the process seemed to take nearly two months, which I think was a significant amount of time, including because the leak was ongoing. The claim then progressed and further work was carried out to find the source of an internal leak. However, the leak wasn't fixed and remained ongoing for some considerable time.

By the time of the first complaint, the claim had been open for about five months. I think there was slow progress on the claim, poor communication between AXA and its agents, as well as with Ms M. I'm aware there were difficulties with locating the leak, including that a digger was required to take up Ms M's drive to try and find it. There were then issues with the drive being left damaged for several weeks and Ms M wasn't told how this would be resolved.

I think some of the disruption was the result of the claim itself and it also didn't seem to be straightforward to locate the source of the leak. However, the level of inconvenience Ms M experienced went beyond what I think it would be reasonable to expect a claim like this to cause. I think it took AXA much longer to progress the claim than it should have and that this was, in part, due to poor communication between AXA and its agents. I'm also aware it was identified that the leak might be causing a health hazard to Ms M and her family, as it was causing mould and other issues. But AXA still didn't seem to focus on finding the leak.

By the time Ms M complained again, the claim had been open for about nine months. She remained concerned about the continued lack of progress and how long it took to repair the leak. So, I think issues remained despite the assurances in the first complaint response that a Claim Manager would review the claim to ensure it progressed.

AXA offered £450 in response to the first complaint and £150 in response to the second. So, £600 in total. I've thought about this, including thinking about the level of compensation this service would normally award in circumstances like these. I think Ms M was caused significant inconvenience and disruption because of how AXA handled the claim and that this lasted over several months. I think Ms M also had to follow up several times to ensure the claim continued to progress. I'm also mindful of the health issues Ms M has raised, although I'm also aware she has said the cause is currently unknown. Looking at everything that happened, I think the £600 compensation AXA offered was reasonable in the circumstances and in line with what I would have required it to pay if it hadn't offered this.

Based on the issues I've considered, I think how AXA responded to the complaints was reasonable and I don't require it to do anything further in relation to them.

I'm aware Ms M has said she remains concerned about continuing issues with the claim. She also wants AXA to pay towards her water bill because of the leak. Ms M would need to raise these issues with AXA so that it can consider them. I'm unable to comment on them.

My final decision

For the reasons I have given, it is my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 11 April 2024.

Louise O'Sullivan
Ombudsman