

## **The complaint**

Mr W complains about the way AXA Insurance UK Plc (“AXA”) has handled a claim he made under his building insurance policy.

Any reference to AXA in this decision includes its appointed agents.

## **What happened**

Mr W contacted AXA in 2018 when he noticed flooding to the cellar and water pooling by the entrance to his driveway. He was concerned there may be subsidence as he felt that the house moved every time it rained.

AXA investigated the issue but confirmed there was no evidence of subsidence. Mr W instructed his own engineer who recommended monitoring of the property and Mr W contacted AXA again, requesting they take another look into the claim. AXA’s contractors again concluded that further monitoring wasn’t required and that the property had stabilised, due to the monitoring showing minimal movement and possibly seasonal fluctuations only.

Mr W made a complaint to AXA. It said that the monitoring confirmed there was no evidence of ongoing subsidence or other instability – aside from some issues regarding the roof of the property, and that the cash settlement offered to Mr W in relation to the roof was correct due to non-claim related works also having been noted at the property. It said the offer had been increased due to the increase in national repair rates, and that due to the time it took AXA to respond to Mr W’s concerns, it would pay him £25 for distress and inconvenience, bringing the total amount of compensation paid to him throughout his claim to be £1500 with a further £100 as a goodwill gesture.

Mr W didn’t agree with AXA’s responses, so he referred his complaint to this service. Our investigator looked into the issues and concluded there were some aspects of Mr W’s complaints we couldn’t consider, because Mr W had brought those complaints to us out of time. The investigator also said there wasn’t persuasive evidence that AXA needed to do any more with the claim, because its decisions on the claim had been fair and the experts had shown the property had stabilised.

Because Mr W didn’t agree with our investigator’s assessment, the complaint has now been passed to me to decide.

## **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.

Having done so, I’ve decided not to uphold Mr W’s complaint. I’ll explain why.

The only parts of Mr W’s complaint that I can consider are those issues dealt with in the most recent final response letters from AXA, dated March 2023, May 2023, August 2023 and November 2023 – issues which Mr W referred to us within six months of the dates of the

final response letters and which are therefore considered to have been referred to this service on time.

The matters dealt with in AXA's final responses from 2021 and 2022 cannot be considered by this service, because Mr W didn't refer those complaints to us within six months of the dates of the final responses, and I don't consider there were exceptional circumstances preventing him from doing so.

In relation to whether there is still movement at the property, I've looked carefully at the reports provided to determine whether it's likely that there's a valid claim here which AXA needs to do more to resolve. And having considered all the evidence and information provided, I don't think AXA needs to do any more at this time.

I say this because, in the report dated 14 June 2023, the engineer states:

*"Based on the findings above, it is my conclusion that there is no indication of a pattern of either significant progressive movement, or of significant cyclical movement evidenced in the external or internal monitoring readings.*

*Therefore, it can be considered that, at least at ground level externally, and at ground-floor level internally there appears to be effective stability".*

I've looked closely at the report and the monitoring results, and I think the readings support what the engineer has concluded here. The maximum movement was 2.1mm externally and 1.1mm internally. And from everything I've seen, it doesn't appear likely that the property was still suffering from subsidence at the time these readings were taken.

AXA therefore offered a cash settlement, which Mr W didn't agree with. I can appreciate Mr W's reasons. His belief is that the property is still moving, but I'm afraid I don't have expert evidence to support this. Mr W has also said that not only is the property uninhabitable, but the ongoing dispute with his insurer has caused a detrimental effect on his children. I'm really sorry to hear about this, and he has my every sympathy for the impact this claim is having on his family. But I can't say AXA is acting unfairly in offering the cash settlement. There are ongoing works to the property which aren't claim related and so offering a cash settlement seems a fair and reasonable resolution to the claim in the circumstances.

In relation to alternative accommodation costs, I note that these weren't included in the cash settlement offer. I don't consider that unreasonable. AXA says Mr W is carrying out renovation work to his property, and Mr W says the property isn't habitable due to ongoing ground movement. From the expert reports I've seen, it appears that the main reason the property cannot be lived in, isn't related to the claim. So I don't have enough information to conclude that alternative accommodation costs are payable. Mr W is however free to provide AXA with more information if he disagrees, and I'd expect AXA to look at this part of the claim again if further information shows that the property isn't habitable due to ongoing ground movement.

AXA said it would cover Mr W's storage costs but wouldn't cover Mr W's security costs. I agree with our investigator on this point and although I can understand why Mr W had to put additional security measures in place, it isn't something the policy covers and ultimately it was something Mr W decided to do during a period of time in this complaint that I can't consider due to the time limits I've mentioned.

I've also assessed the amount of compensation AXA has offered Mr W for instances where it could've provided a better service to him, such as for delays in making various decisions on

his claim. As above, I can only consider the compensation paid in relation to the last four final response letters, and which is in relation to regulated activities, which amounts to £750 in total. All in all, I consider this to be a fair and reasonable amount for the distress and inconvenience caused to Mr W regarding those issues, as it shows that AXA has recognised that the impact of its delays caused Mr W and his family significant upset and worry, and continued inconvenience that spanned over a considerable amount of time.

I realise Mr W feels strongly about this complaint and will be disappointed with my decision. But for the reasons I've explained, I'm not going to require AXA to do anything further in this case. Mr W has mentioned obtaining additional evidence to present to AXA, for example a further expert report. And he is free to do this, as the last final response from AXA dated November 2023 confirms it will consider any new evidence presented to it.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 June 2024.

Ifrah Malik  
**Ombudsman**