

The complaint

Mr J and Mrs B complain about how AXA Insurance UK Plc responded to a claim made under their home insurance policy.

Much of Mr J and Mrs B's dissatisfaction has arisen because of the actions of AXA's appointed agents (contractors). As AXA accept they are responsible for the actions of their agents, in my decision any reference to AXA should be interpreted as covering the actions of their appointed agents.

What happened

The background to this complaint is well known to Mr J, Mrs B and AXA. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

In October 2023, Mr J and Mrs B made a claim on their home insurance policy following flooding to their property. AXA accepted the claim and arranged for their agents to investigate the cause. A number of site visits took place and the claim came to a halt as AXA said the policy limit was reached - prior to any repair works taking place.

Unhappy with how the claim was being handled – primarily delays and communication issues, Mr J and Mrs B raised a complaint. AXA responded to the complaint and partially upheld it, offering compensation to recognise the issues experienced.

Mr J and Mrs B remained unhappy and referred their complaint to our Service for an independent review. Our Investigator recommended that the complaint be upheld. Mr J and Mrs B accepted the recommendations. AXA also accepted the recommendations in an email dated 3 July 2024, but based on communication from Mr J and Mrs B since - they haven't followed through.

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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of my decision

As with any complaint, Our Service can't allow them to become open ended and new complaint points or further delays or impact to be regularly added. To do so would seriously impair the effective operation of our Service. I make this point as I note that the final response letter referred under this complaint reference was dated 14 December 2023. In it, AXA stated that their agents would contact Mr J and Mrs B to discuss the next steps of the claim and they offered £150 compensation for service issues.

I also note a further final response letter was issued after the first referral and it addressed

Mr J and Mrs B's unhappiness at the accidental damage to underground services policy limit of £1500 being applied to the claim. In that final response, AXA told Mr J and Mrs B that in order for the claim to progress, they'd need to pay approximately £800 as the policy limit had already been exhausted by their investigations to that point. They also offered a further £150 compensation for service issues.

Generally (as outlined above), any new issues that arose after a complaint referral would need to be considered under a new complaint reference by our Service. However, in the specific circumstances of this complaint and because of: 1- how long this claim and complaint has been ongoing and 2- AXA seemingly accepting (but then taking no action) the Investigator's recommendations (which also made findings related to the second final response letter), I have considered both final response letters in this decision.

Although I can't advise Mr J and Mrs B on what to do next, they should note that I've only considered the impact of AXA's actions up until their second final response letter and if they remain unhappy about any impact on them after that letter, they'd need to first raise a new complaint with AXA before our Service could investigate it.

For complete clarity, my decision doesn't address the impact of AXA's actions on Mr J and Mrs B from January 2024 until now. It also doesn't address any potential mis-sale complaint put forward by Mr J and Mrs B. That would need to first be raised with AXA.

My key findings

My decision is relatively brief, as both parties accepted the Investigator's recommendations:

- It's disappointing that this complaint requires a final decision from an Ombudsman, as is AXA's communication with both Mr J, Mrs B and our Service.
- AXA dealt with this claim under the accidental damage (underground services) section of cover. This meant a £1500 policy limit applied. I find this was initially fair.
- It could also be argued that the initial reported claim (flooding) here could have had the home emergency section of cover respond. This wasn't explored by AXA and this is disappointing. For reference page 44 of the policy terms state:

"Blocked drain? Consider Home Emergency cover first

Often a blockage can be removed through a method called drain rodding, which doesn't require breaking into the sewer pipe. For blocked drains, your Home Emergency cover, which you get as standard with a Homeprotect policy, should be your first port of call as this gives you 24-hour assistance for damage to, or blockage, breakage, or leaking of the drains that you are responsible for and there is no excess applicable."

As the expert in this business relationship, it would be expected that AXA should be aware of their own policy terms, particularly when responding to a claim under a section of the policy which had a relatively low policy limit in place.

- AXA's investigations identified that tree roots were possibly related to the underground damage which was causing flooding to Mr J and Mrs B's property. I also note internal AXA emails where the lower policy limit is mentioned, alongside references to tree roots potentially being linked to the damage here.
- The exploratory report dated 19 December 2023 stated:

“The drain was partially unblocked until 17m where roots were found. [bold added for emphasis by Ombudsman] We are unsure whether this pipework leads to a soakaway or to ground. To further investigate a dig will be required at 17m to remove the roots [bold added for emphasis by Ombudsman] and confirm where the pipework goes.”

I've also weighed this up against the video provided which gives a good idea of the layout of the property and pipework. On balance, it was unfair and unreasonable to apply the lower policy limit and not to consider the damage under the tree roots section of cover (which doesn't have the same lower limit).

- It follows that it was unfair and unreasonable that the claim drew to a halt as AXA were waiting for payment from Mr J and Mrs B (for the reasons outlined above). This led to avoidable trouble and upset. When considering the impact of AXA's actions (until January 2024), I've kept in mind that Mr J and Mrs B accepted our Investigator's increased recommendation of a further £150, which brought the total compensation for trouble and upset caused by AXA's actions to £450. This is broadly within the range of our published guidelines.

Putting things right

AXA Insurance UK Plc now need to:

- Pay Mr J and Mrs B a total of £450 compensation to recognise the impact of their actions up until January 2024. AXA can deduct any compensation payments already paid from this figure.
- Consider the claim under the tree roots section of cover. Given the time that's passed, AXA should treat this claim as a matter of urgency.

My final decision

My final decision is that I uphold this complaint. AXA Insurance UK Plc now need to follow my direction as set out under the heading 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr J to accept or reject my decision before 16 December 2024.

Daniel O'Shea
Ombudsman