

The complaint

Mrs W and Mr W complain about AXA Insurance UK Plc (“AXA”) and the service they received after they made a claim on their home insurance policy.

Mr W acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any comments made, or actions taken, by either Mrs W or Mr W as “Mr W” throughout the decision, where appropriate.

What happened

The claim and complaint circumstances are well known to both parties, so I don’t intend to list them chronologically in detail. But to summarise, Mr W held a home insurance policy underwritten by AXA. In the summer of 2022, Mr W discovered a blocked drain at his property. So, he contacted AXA to make a claim for the repair work required to resolve the issue.

AXA arrange for the blockage to be cleared. But this work left damage to Mr W’s floor that needed repairing. AXA instructed a contractor, who I’ll refer to as “C” to arrange the required repairs. But between September 2022 and August 2023, Mr W heard nothing from C, despite repeated chasers. So, he arranged for the repair work to be completed at a cost to himself. And he then forwarded this invoice to AXA, while raising a complaint.

Mr W was unhappy with the length of time the claim had been ongoing, without any progress. So, he wanted AXA to reimburse him the invoice amount of £543, as well as compensate him for the distress and inconvenience he’d been caused.

AXA responded to the complaint and upheld it. They accepted the claim hadn’t been progressed for almost a year, through no fault of Mr W’s. So, they paid Mr W £500 compensation to recognise the impact this caused. But Mr W didn’t receive reimbursement of the invoice, nor did he think the £500 was enough by way of compensation. So, he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They explained AXA had provided no evidence to show the invoice had been reimbursed, or a reason as to why it shouldn’t be. So, they recommended AXA reimburse this invoice, plus 8% simple interest from the date Mr W paid it, to the date of refund. But they explained why they thought the £500 compensation AXA paid was fair and so, they didn’t think this needed to be increased.

AXA responded apologising for their delayed reply confirming the invoice had been reimbursed. And Mr W confirmed this was the case after checking himself.

So, our investigator issued a new view, recommending that 8% simple interest be paid on the £543 from 28 September 2023 to 10 January 2024 when AXA showed they’d processed the reimbursement.

Mr W accepted this recommendation. But AXA didn’t respond. As AXA didn’t respond, in line with our service’s approach we must assume they rejected the recommendation and so, the

complaint has been passed to me for a decision.

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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note in AXA's complaint response, they accepted they had failed to progress Mr W's claim, paying him £500 compensation to recognise this. Because of this, I'm satisfied it's not in dispute that AXA acted unfairly and unreasonably and so, I don't intend to discuss the merits of the complaint in any further detail. Instead, I've turned to what does remain in dispute, which is what AXA should do to put things right.

Putting things right

When thinking about what AXA should do to put things right, any award or direction I make is intended to place Mr W back in the position he would've been in, had AXA acted fairly in the first place.

In this situation, had AXA acted fairly, I think they would've progressed Mr W's claim more proactively, which would've led to the damage in his home being repaired in a shorter amount of time. And, it would also have prevented Mr W from needing to arrange the repairs himself, which I recognise would've been expensive to him as well as taking time and effort he shouldn't have needed to use.

I note AXA have paid Mr W £500 to compensate him for the above. And I also note Mr W accepted our investigators recommendation, which stated the £500 payment was a fair one. So again, I don't think this payment, or the fairness of it, is now in dispute. But even so, for completeness, I want to make it clear that I also think this payment is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been paid.

I think it fairly reflects the length of time Mr W was living in a home with damage that needed repairing, which could've been avoided had AXA acted fairly in the first place. But I think it's also reflective of the impact and inconvenience the presence of this damage had, considering from what I can tell Mr W was able to continue using his drainage facilities due to the work AXA had completed to block the drains beforehand. So, I don't think AXA need to pay anything more.

But crucially, AXA's failures did cause Mr W to arrange the repair work himself. And he had to incur the costs of this, paying £543 on 28 September 2023. Had AXA acted fairly, Mr W wouldn't have needed to incur this expense and so, he wouldn't have lost access to these funds between the date he paid the invoice, to the date AXA reimbursed this amount on 10 January 2024.

So, to recognise Mr W's loss of access to these funds, I think AXA should pay Mr W 8% simple interest on the £543 from the dates listed above. This payment falls in line with our service's approach to situations where customers have been without access to their own funds unfairly. Again, I note Mr W himself has accepted this recommendation but for completeness, I wanted to provide my own through process when reaching my decision.

My final decision

For the reasons outlined above, I uphold Mrs W and Mr W's complaint about AXA Insurance UK Plc and I direct them to take the following action:

- Pay Mrs W and Mr W 8% simple interest on the £543 invoice they paid, from 28 September 2023 to 10 January 2024.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 17 June 2024.

Josh Haskey
Ombudsman