

complaint

Mr F and Miss R are unhappy with the way that AXA Insurance UK Plc has dealt with their escape of water claim under their household policy.

background

In January 2014 Mr F and Miss R made a claim to AXA following the ground floor of their home being flooded by a broken waste water pipe. Loss adjusters were appointed and Mr F and Miss R were initially moved into a hotel. However they couldn't find an apartment that was suitable for their needs. Subsequently AXA agreed to pay for a caravan which Mr F and Miss R stayed in on the drive of their property.

When the damage was inspected, it was found that the floor tiles contained asbestos and had to be removed before the other work could be started. After this Mr F and Miss R wanted to use their own contractor. But AXA was unwilling to pay the much higher costs involved. So its contractors went ahead with the repairs. As work progressed Mr F and Miss R were unhappy with various parts of the repairs, including the plastering, carpentry, the laying of the floors, and damage to items.

Miss R said that she had lost a substantial amount of earnings due to having to manage the claim. She also claimed for other items like the cost of petrol, and food when they were staying in the hotel. There remain a number of things which they're still not happy with. AXA offered compensation of £750, including not charging the £150 excess.

On referral to this service, our adjudicator thought that Mr F and Miss R's complaint should be upheld in part. In particular she thought that they should be paid some further costs. These were a disturbance allowance for the period spent in a hotel, some other financial losses, and a further £300 for extra distress and inconvenience. She also thought that AXA should look at the outstanding items of work that might need redoing.

AXA essentially agreed to this. Mr F and Miss R were unhappy and felt that we should look at their complaints in detail and award their loss of earnings.

The matter has been referred to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I should confirm what the adjudicator has said about our approach to complaints. We operate as an alternative dispute resolution service. We resolve complaints informally. This means that we will look the case overall to see how it can be resolved. we won't break down every single item of complaint nor will we assess schedules of loss in the way a Court might do. So, whilst I appreciate that Mrs R has produced a lot of detailed evidence, I will still look at the case as a whole. I can confirm however that I have looked at all of the parties' submissions.

the handling of the claim

There's inevitably going to be a huge amount of disruption to any homeowner in a flood or escape of water claim. But I can only hold AXA responsible if it's either covered in the policy or it's due to any failure on the part of it or its agents. The work essentially took just over six months to be completed (barring any remedial work needed). Part of the delay was in having to remove asbestos tiles, which couldn't have been anticipated. But I do accept that there were some delays and failures in customer service. There were failures in communication when Mr F and Miss R didn't know when the contractors were attending. They were unhappy with the floor which had to be re-laid a couple of times.

In particular they were unhappy that bags full of broken up asbestos tiles were left in their living room. I accept that all health and safety rules were complied with and an air test showed the house to be safe. Also it seems that the contractor didn't anticipate Mr F and Miss R going in the living room (as they were still in the caravan). But I think Mr F and Miss R's concerns were handled badly and their anxieties weren't fully dealt with for a while.

AXA has so far offered a total of £750 compensation, including not charging the £150 excess. Our adjudicator proposed that it be increased by £300, a total of £1,050. I think, taking all the circumstances into account that this is reasonable.

financial losses

Firstly Miss R wants to claim loss of earnings at a self-employed rate for a number of items. But without going into detail on every one we don't in general compensate people on a time basis for doing work in and around the claim. This includes doing any sort of research into costs and preparing the very detailed complaint. It does appear that Miss R took time off to supervise the claim. She and Mr F also employed contractors to do some private work during the same period of time. I appreciate why Miss R wanted to do this but it was her choice to do so. I won't award any loss of earnings.

I agree that for the time they were in a hotel Mr F and Miss R should be paid a disturbance allowance. This is to reflect the *extra* expense to them of not having access to cooking or washing facilities. It takes into account that they would have spent money on food any way. This is £10 per person per day, over 21 days which amounts to £420. If Mr F and Miss R think they had to spend a lot more than this then they will, I'm afraid have to produce evidence of what they paid to AXA.

I think the petrol figure of having to attend to their cats when they were away in a hotel is reasonable. This has been costed at £48.42. I'm afraid that I don't consider the other petrol expenses to be reasonable. These would either be covered in the compensation figure I've set out or they're just part of what Mr F and Miss R had to do as a part of the claim.

As our adjudicator has pointed out we don't award mortgage payments or any normal outgoings made in respect of the house. In respect of utility bills, if these were higher because of the cost of electricity or other utilities used by the contractors. AXA should then pay any difference. This could be obtained by reviewing the last two or three bills prior to the claim and the bills for the six months the contractors were on site.

AXA agreed to pay the following:

- Dyson Hoover - £248.98
- Pedestal Mat - £15.99
- Designer Teaspoons (used by the builders) £31.99

AXA has pointed out that it let Mr F and Miss R keep the caravan it had paid £4,250 for. But I won't take this into account. It looks like AXA agreed to this as it was a cheaper option than paying for them to live elsewhere.

outstanding work

Mr F and Miss R have pointed out a number of items of repair they're unhappy with. AXA says they weren't raised with it at the time. It's certainly true that Mr F signed off the work as being happy with it. But it does look like at least some of the items had been raised with AXA. They were then raised in the complaint to us. As our adjudicator has pointed out we can't do claims handling. It does look like there was some confusion as to whether they were still pursuing outstanding matters. I think AXA's offer to reconsider the various items and as appropriate offer a cash payment, is reasonable. The items are:

- Internal doors, latches, hinges and handles
- New oak surfaces in the kitchen
- Replacement splash backs in kitchen
- Woodwork poorly done
- Replacement end piece in the kitchen
- Replace in-built oven
- Replace oven handle (would this be required if the oven was to be replaced?)
- Larder cupboard door not closing properly
- Cosmetic work to the front door

So overall I think the proposals for settling this matter are reasonable. Mr F and Miss R should liaise with AXA in respect of the outstanding items which need dealing with.

my final decision

My final decision is that I uphold the complaint. I direct AXA Insurance UK Plc to:

- pay to Mr F and Miss R a disturbance allowance of £420
- pay petrol costs of £48.42
- pay the replacement cost as outlined above for the Hoover, pedestal mat and teaspoons
- reconsider the following items and as appropriate agree a cash settlement:
 - Internal doors, latches, hinges and handles
 - New oak surfaces in the kitchen
 - Replacement splash backs in kitchen
 - Woodwork poorly done
 - Replacement end piece in the kitchen
 - Replace in-built oven
 - Replace oven handle (would this be required if the oven was to be replaced?)
 - Larder cupboard door not closing properly
 - Cosmetic work to the front door

- for any cash settlement offered in respect of the above works, to add interest at 8% simple per year (les any tax properly deductible) from the date of loss to the date of payment.
- Pay a total of £1,050 compensation for the distress and inconvenience caused by its handling of the claim. This includes the £750 previously offered

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss R to accept or reject my decision before 4 December 2015.

Ray Lawley
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