

## **The complaint**

Mr L complains about how AXA Insurance UK Plc handled his claims for subsidence on his home insurance policy.

Throughout this complaint Mr L has been represented by a third party. However for ease of reading, I've referred only to Mr L in this decision. All references to Mr L include the actions of his representative.

## **What happened**

Mr L had home insurance that's underwritten by AXA. In 2020 he made a claim after noticing cracks in the property. AXA accepted the claim and diagnosed the cause as some defective drains. Mr L replaced these and AXA monitored the property. It was satisfied the property had stabilised so carried out superstructure repairs to the building.

However in 2022 Mr L noticed the cracks had reappeared and worsened. He contacted AXA again and on inspection, AXA concluded that a nearby oak tree was causing the new damage. It told Mr L that it would need to be removed which he arranged.

Throughout the claims Mr L has been unhappy with how AXA had progressed matters and the service it had provided. In particular he said:

- AXA had incorrectly diagnosed the cause of the subsidence in the first claim and this had delayed resolving the issue. As such, he should be reimbursed for the drainage repairs and shouldn't have to pay a second excess.
- The repairs carried out as part of the initial claim were insufficient.
- AXA had taken too long identifying the tree as the cause as part of the second claim.
- His premiums increased in price at renewal.
- AXA had provided very poor communication with Mr L and his representative which had caused additional distress.
- Due to the condition of his property, and the lack of action by AXA, Mr L had been sleeping in his car or his shed as he didn't feel safe in the property.

AXA responded and accepted that it had provided some poor service. It offered a total of £225 compensation to apologise for this. But it didn't think it had acted unreasonably when diagnosing the cause of subsidence or carrying out repairs. And it said the premiums had increased in line with how it prices its policies for all customers.

It also said that it had provided reassurance to Mr L that his property was safe to live in, and there shouldn't be a need for him to move out of it.

Mr L wasn't happy with AXA's response so he brought it to this service.

Our investigator thought AXA had acted fairly when dealing with the claims and had followed the steps she'd expect when investigating a subsidence claim. So she didn't think it should do anything further.

Unhappy with this outcome, Mr L asked for his complaint to be reviewed by an ombudsman.

### **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.

### **The subsidence claims**

Mr L has raised concerns about how his two subsidence claims have been dealt with. He's said that he doesn't think the first claim was assessed correctly, which led to him paying for extensive drain repairs that were unnecessary. And says that AXA only papered over the cracks instead of providing a sufficient repair.

AXA has provided the reports relating to the first claim. From these I can see it sent subsidence experts to excavate bore holes in order to examine the soil around the property to determine the cause of the subsidence. And it determined that the below ground drainage was inadequate and needed replacing as it was leaking into the soil which was causing the property to move. The reports noted the nearby tree as a possible cause, but AXA's expert concluded that there was no evidence it was causing the issue at that time.

It's also of note that Mr L's contractor confirmed that the drains were defective. And that the repairs they carried out rectified the problem and enabled water draining from the roof to be drained away correctly without impacting the soil.

Based on this, I don't consider AXA's initial actions relating to the claim to be unreasonable. It instructed an expert to determine the cause of the damage and acted on that expert's recommendations. And both its expert and Mr L's contractor confirmed that there was a problem with the drains that needed rectifying.

Unfortunately due to the fact the drains were defective, replacing them wasn't covered under the policy. So Mr L had to pay for the repairs to the drains. As both Mr L's contractor and AXA's expert agreed there was a defect with the drain, and this is excluded under the policy, I don't consider this unreasonable.

Following the repairs to the drains AXA carried out a period of monitoring to check the property had stabilised. It's provided the results of this and I can see that the property appeared stable for the months that followed the drain repair. So it's reasonable that AXA concluded this had solved the issue.

Once the cause of the subsidence is identified and fixed, the next step is to repair the superficial damage it has caused to the property. And AXA carried out remedial work to the cracks. I appreciate Mr L's comments about the work simply 'papering over the cracks'. However the subsidence hadn't caused any structural damage, so the only repairs needed were to fill in the cracks and redecorate. This is the usual process in subsidence claims and I've seen nothing to show that these repairs were insufficient or of a poor standard. So I think AXA acted fairly in the circumstances and followed a fair process to resolve the claim.

When Mr L noticed the cracks worsening again, he raised another claim. And on investigation AXA's expert concluded that the tree it had identified initially as a potential problem was now influencing the property. Once identified AXA took steps to pursue the removal of the tree. I note Mr L has said that he doesn't feel AXA took prompt action in this regard. I can see from the internal notes provided that AXA were pursuing the removal from soon after its expert identified this as the cause. However I agree it did a poor job of keeping Mr L updated. So while I don't agree it wasn't proactive, it could have done more to reassure

him that the claim was progressing.

So while I can understand why Mr L feels AXA misdiagnosed the problem initially, from what I've seen I think it took fair and reasonable steps based on the evidence at the time. And it took prompt action to address the problems as they arose. So I won't ask it to do anything differently.

## **Excess**

Mr L has said he doesn't think it's fair that AXA charged two excesses for the two times he has raised a claim about the subsidence issue. I've considered this and I agree.

Mr L's policy defines an excess as '*The amount you must pay as the first part of each and every claim*'. So I agree that an excess would fairly apply to every claim.

However as the cracks reported are in the same area of the property, and the claim itself has been dealt with as a continuation rather than a new claim, I don't think it fair that AXA charge two separate excesses for the two reports of subsidence.

After the complaint came to me, I wrote to AXA to explain this. It's said that it changed its position on this previously and is no longer charging an additional excess. Due to this, I'm satisfied it's now done enough in this regard.

## **Premiums**

Mr L has also complained that his premiums have increased since he made the claim. I understand this will have been particularly frustrating given the claim has caused him a level of distress. However it isn't unusual for premiums to increase following a claim, particularly one for subsidence.

Insurers calculate the cost of a policy based on the risk it perceives in taking on the policy. And previous claims impact this perceived risk. So often premiums will be more expensive following a claim.

Further, AXA has shown that the price offered is the same price it would offer any other customer in the same circumstances as Mr L. So I've not found its acted unfairly in this regard.

## **Communication**

From the notes and correspondence provided I can see that AXA has moved this claim along promptly, as I would expect it to do. It's been proactive in responding to Mr L's requests and taken action to ensure the claim is progressed.

However it hasn't done a good job of keeping Mr L updated at every step. And I think it should have done more to ensure he was kept informed. Especially considering Mr L explained to AXA the impact the claim was having on him and the worry it was causing.

Mr L has explained that due to his concerns about the stability of his home, he has been sleeping in his car and his shed as he's been worried about his safety. I was really sorry to hear about the profound impact the condition of the property has had on him.

AXA has provided a lot of reassurance about the safety of the property. Including reassuring Mr L that it is not at risk of collapse. I appreciate this hasn't alleviated Mr L's concerns, and it is his decision to sleep outside of the property. However I've not seen any evidence that the

property is currently unsafe. And I don't think there is anything more AXA could have done to reassure him of this.

It's important to note, when considering the impact of a claim, that I can only look at the impact AXA's actions have had on Mr L. Rather than the impact of the subsidence claim itself. Having subsidence at your property can be a distressing issue and it will often take a long time to resolve. So it can cause some considerable distress and inconvenience. But I can't hold AXA responsible for the distress of the claim itself.

Based on what I've seen, AXA has largely handled this claim efficiently. However I agree it caused Mr L some additional distress by not responding promptly to some of his correspondence and not keeping him updated. It's offered a total of £225 compensation across his complaints and this is in line with what I'd ask it to pay if it hadn't already made an offer. I therefore think it's done enough to apologise for the poor communication.

### **My final decision**

For the reasons I've given, I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 7 September 2023.

Sophie Goodyear  
**Ombudsman**