

The complaint

Mr H and Mrs K complain about AXA Insurance UK Plc's handling of their home insurance claim.

Mr H and Mrs K are joint policyholders. As most of the communication relating to the complaint has been from Mr H, I'll refer mainly to him in my decision.

AXA is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As AXA has accepted it is accountable for the actions of the agents, in my decision, any reference to AXA includes the actions of the agents.

What happened

In mid-2023, Mr H and Mrs K made a claim under their home insurance policy with AXA after a flood caused damage to their basement and contents inside it. AXA instructed loss adjusters and a survey was carried out the following day. The loss adjuster concluded that the cost of repairs was likely to exceed the amount they were authorised for. So, AXA arranged for a different loss adjusting company to deal with the claim.

Mr H made several complaints about how his claim was being handled and the service he'd received. He was unhappy with the length of time it was taking for his claim to be validated and paid. He felt AXA's requests for information were unnecessary and intrusive. He also raised concerns that AXA might be discriminating against him because of his race.

AXA said it had been proactive with Mr H's claim, had kept him up to date and explained what the next steps were. It was satisfied that further enquiries were necessary to complete its investigations and it didn't feel these had caused a delay on the claim. It said it had to ensure that it validated a claim before it could proceed. It had made a payment to Mr H so the property could be cleaned and was satisfied it had followed the correct process.

AXA acknowledged that Mr H believed there were racist elements to how his claim was being handled. But it said there was no evidence of any racist elements or connotations noted.

Mr H remained unhappy and asked our service to consider the matter.

Our investigator looked into Mr H's concerns, but he didn't think the complaint should be upheld. He thought the claim had been handled as quickly as it could have been under the circumstances. He didn't think there was evidence to show that AXA had discriminated against Mr H. He said he would deal with Mr H's concern about a disturbance allowance not being paid as a separate complaint.

Mr H disagreed with our investigator's outcome. He questioned how the investigator had reached the conclusion that the claim hadn't been mishandled. He said the claim had initially been logged incorrectly and AXA had passed his claim between three different agents. He'd spent a lot of time providing information he'd previously provided because of a lack of communication between these agents.

Mr H also commented that AXA hadn't been clear and transparent. He said one of the loss adjuster's members of staff had lied about her job title. He said AXA had denied asking about his limited company, but he'd provided CCTV footage to show this was untrue. As Mr H disagrees with our investigator's outcome, the complaint has 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 H and Mrs K's complaint. I'll explain why.

I've considered everything Mr H has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr H I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

To be clear, I haven't considered the concerns Mr H raised about not being paid a disturbance allowance in my decision as this has been dealt with as a separate complaint.

The relevant industry rules say an insurer should handle claims promptly and fairly. It should also provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

Mr H says AXA passed his claim between a number of different agents. I can see that Mr H initially logged his claim with one of AXA's agents. The first loss adjusting company was instructed and carried out a survey the next day. The claim was then passed on to a second loss adjusting company because of its high value.

I appreciate this was frustrating for Mr H. However, the visit from the second loss adjuster took place around two weeks after he made his claim. So, I don't think this caused a significant delay.

Mr H has complained that there was minimal support from AXA, and he had to personally arrange for an independent contractor to drain the flood water, clean and dry the property and remove damaged contents. However, the first loss adjuster's report says it had instructed contractors to sanitise the property as a matter of urgency, but Mr H had put them on hold as he wanted to use his own contractors.

Mr H was given an interim payment to assist him with the costs of drying, cleaning, removal of contents and electrical repairs while AXA took steps to validate his claim. I think this was reasonable.

Mr H has complained about a lack of clarity and transparency from AXA and its agents. He says AXA delayed the progress of his claim by asking for unnecessary information without explaining why.

I can see Mr H was asked for various pieces of information to assist AXA with validating his claim. The reasons for this were explained to Mr H in a letter from its solicitors dated 5 October 2023.

Mr H's policy was one of indemnity which means AXA was required to put him back in the position he was in just before the damage happened. Mr H had previously made a claim for flood damage to his basement which had been settled by another insurer in cash. So, AXA wanted to establish if the repairs from Mr H's previous claim had been carried out before agreeing to settle his current claim.

Mr H appears to have had some difficulty providing information AXA asked for. Mr H told AXA he didn't have any receipts for the reinstatement work that had been carried out and he'd paid for this in cash. He said the contractors who had carried out the work had left the country and he didn't have any contact details for them. Mr H had provided videos to show the renovation of the property but there was no explanation of what they showed, and it wasn't clear which property it was for.

AXA also had some concerns about quotes Mr H had provided for reinstatement works. There was information to suggest that one of the quotes was created by Mr H's brother and the second company who had quoted couldn't be traced through online searches.

I can understand why Mr H was keen for his claim to be settled as quickly as possible. But I'm satisfied that AXA had legitimate reasons for requiring further information before validating Mr H's claim.

Mr H has commented that he spent a lot of time dealing with AXA's agents and believes they didn't pass on information he'd previously provided. It's possible there may have been some miscommunication between AXA's agents but I haven't seen anything that suggests Mr H was repeatedly asked to send the same information. It looks like further questions were asked because the information Mr H provided wasn't sufficient to validate his claim.

Mr H says employees of the loss adjusting company weren't clear and transparent about their job roles and what was discussed in a visit to his accountant's office. However, I've not seen persuasive evidence to conclude that there was a deliberate attempt to mislead Mr H. Nor have I seen anything to show that Mr H was negatively impacted by any inaccurate information he might have been given.

Having reviewed the information available to me, I think AXA made reasonable attempts to move Mr H's claim forward. It also kept him up to date on its progress. I can see that the claim was settled around a week after the letter from AXA's solicitors, once Mr H had provided satisfactory answers to their questions. So, I'm not persuaded AXA mishandled Mr H's claim or caused any significant avoidable delays.

Mr H has also raised concerns that AXA discriminated against him because of his race. I'd like to assure Mr H I've taken his concerns seriously. However, I must explain that our service doesn't have the power to make a finding of discrimination under the Equality Act 2010 – that is only something the Courts can do. But, in deciding whether Mr H was treated fairly, I've taken the Equality Act into consideration, alongside all the evidence provided by both parties.

Mr H has said he felt victimised because claims made by neighbours who had also been impacted by the flood appeared to have progressed more quickly. However, I've explained why I'm satisfied AXA needed further information in order to validate his claim. So, while I understand why Mr H may have felt he was being treated differently because of his race, I haven't seen anything to suggest that AXA treated him unfairly or acted unreasonably. I hope that it helps Mr H to know that someone impartial and independent has looked into his concerns.

Overall, I think AXA dealt with Mr H's claim promptly and fairly. I'm also satisfied it kept Mr H up to date on its progress. So, while I appreciate my answer will be disappointing for Mr H, I'm not persuaded to uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr H and Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs K to accept or reject my decision before 23 May 2024.

Anne Muscroft
Ombudsman