

## **The complaint**

Mr H and Mr M, of business 'T' have complained that AXA Insurance UK Plc refused to meet T's financial costs in their involvement with the management of a claim they made under their commercial property insurance policy.

## **What happened**

T made a claim for water damage to a commercial property. Their insurer AXA appointed a Loss Adjuster (LA) to handle the claim.

T submitted an invoice for their time involved in their handling of the claim as a management fee.

AXA said it wouldn't reimburse T for their time involved in their own claim.

T brought their complaint to us. Our Investigator didn't recommend it should be upheld for the same reasons AXA gave.

T disagrees and wants an ombudsman 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.

I've looked at the policy wording which the broker referred to when they asked AXA to consider reimbursement of the invoice provided by T for £1,550.00

AXA says that it will cover T as follows:

*"We (AXA) will cover you for the cost of managing agents fees that you incur for the management and supervision of repair or rebuilding work solely as a result of damage.*

*Provided that the fees solely relate to any additional work which would not have been necessary had the damage not occurred."*

AXA says that as T are the insured, it wouldn't cover their own claimed management fees for dealing with their own claim. AXA says T would be responsible for mitigating damages to the property and this isn't something T could charge a management fee for.

Our role is to decide whether an insurer has acted reasonably. I haven't seen any evidence as T suggests that the LA agreed these costs would be considered or met under the claim.

I think AXA's decision to decline this part of the claim costs was reached in a reasonable way. So I'm not asking it to do any more.

## **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 29 December 2023.

Geraldine Newbold  
**Ombudsman**