

The complaint

Mr B complains that AXA Insurance UK Plc declined a claim under his home insurance policy because he didn't have cover for accidental damage.

What happened

Mr B had home insurance with AXA and in July 2021 he made a claim for a collapsed drain underneath his house. He had called in a drainage expert to look at a blockage from the cloakroom and was told a drain had collapsed underneath the house.

AXA told Mr B his policy would only cover damage to underground service pipes and cables providing services to or from the home under the additional Accidental Damage cover, which he didn't have. Mr B said the problem wasn't the result of an accident and that his expert had confirmed corners were cut when the drains were put in, meaning they were unable to withstand usage over time. Mr B also said he was concerned there was ground movement and that his house would suffer structural damage if the drains weren't repaired.

Declining the claim, AXA told Mr B that any defective workmanship or materials wouldn't be covered. It also said it would be up to him to get the drains repaired to prevent any structural damage to his property because if he failed to do so and this resulted in ground movement, it wouldn't be covered as he would have failed to maintain his home.

Mr B complained to AXA. He didn't agree the damage was accidental. He also said he didn't know the policy didn't provide cover for underground pipes and that he should have been told about this when he took out the policy.

AXA maintained Mr B didn't have the necessary cover in place and so he complained to this service. He said he didn't understand why he needed cover for accidental damage. He said he had asked AXA for some information about the cover in the insurance documents but had never received this. He explained he bought the policy via an aggregator site and doesn't think the definitions of accidental damage fit with the idea of a collapsed drain, which would seem to be more in line with subsidence. He said the fact the policy didn't cover underground drains as standard was not highlighted on the policy documents or stated on the aggregator site.

AXA said it was clear at the quotation stage that accidental damage cover would need to be added as extra and it provided screen shots of what Mr B would have seen.

Our investigator thought the complaint should be upheld. She accepted Mr B would have seen accidental damage cover included cover for damage to underground pipes if he'd clicked on the option. But she said it wasn't enough that the information could only be found if Mr B had happened to click on the accidental damage option. She explained that most insurance policies provide cover for underground pipes and that when a policy doesn't provide this cover, as this is significant or unusual, it should be highlighted to the customer.

She thought that Mr B would likely have wanted cover for underground pipes and had he known it wasn't included he would probably have looked at the alternative policies on the

market, which would have provided the cover for a similar price. Recommending the complaint should be upheld, our investigator said AXA should reconsider the claim as if Mr B had cover for accidental damage.

AXA has asked for the complaint to be reviewed by an ombudsman. It has argued it was clear the cover needed to be selected to cover drains, pipes and cables and that its competitors weren't offering accidental damage to drains as standard.

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.

It's not uncommon for policies to refer to the cause of damage to underground pipes as 'accidental damage' and so, although Mr B has argued the cause of the damage wasn't accidental, I'm satisfied the accidental damage section of the policy is the cover that's most likely to apply.

I accept it's clear in the policy schedule that the policy doesn't include cover for accidental damage. And within the policy wording it states *'the following only applies if you buy accidental damage...accidental damage to cables, drain inspection covers and underground drains, pipes or tanks providing services to or from the home and for which you are responsible'*. But the website Mr B used didn't highlight the fact there was no cover for underground pipes as standard and this would only have been apparent if he'd had clicked on the accidental damage option. So I'm not satisfied it was made sufficiently clear.

I'm satisfied the fact the policy didn't provide cover for underground drains and pipes is unusual and significant because most policies do provide this cover as standard. AXA has argued its competitors aren't offering accidental damage to drains as standard, but it hasn't produced any evidence to support this and, in any event, I'm not persuaded this would mean AXA didn't need to highlight it.

I also think it's likely Mr B wanted cover for underground drains and would have probably taken out one of the other available policies had he known there was no cover included in this policy he was about to buy. So, I don't think it's fair the claim was declined because Mr B didn't have cover for accidental damage and I think it should reconsider the claim on the basis he did have accidental damage cover under his policy.

AXA didn't undertake its own inspection because it declined the claim based on the fact there was no cover for accidental damage. But Mr B's own expert commented that the damage was due to poor workmanship and AXA has said that, even if Mr B had taken out cover for accidental damage, the claim would fail on that basis. The policy excludes loss or damage *'caused by or arising from faulty workmanship, defective design or use of defective materials'*. If, when reconsidering the claim, it relies on this exclusion, it will be for AXA to show it applies. The comments Mr B's expert made regarding the quality of the workmanship mean AXA might want to look into this further, but I would expect it to properly investigate the damage itself before declining the claim on that basis.

My final decision

I uphold this complaint and I direct AXA Insurance UK Plc to reconsider the claim as if Mr B had cover for accidental damage since the start of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 June 2022.

Carolyn Bonnell
Ombudsman