

The complaint

Mr B and Ms S complain that AXA Insurance UK plc ('AXA') unfairly declined a claim for water damage under their home insurance policy.

Both Mr B and Ms S are named policyholders on their AXA policy, so any claim or complaint is brought by them both. But for simplicity, and because most of the information about the complaint has been provided by Ms S, I'll refer mainly to Ms S from here onward.

What happened

Ms S had an AXA home insurance policy, originally taken out in July 2015. She made a claim for water damage when a kitchen pipe burst in October 2020. AXA appointed two third party companies to work on the leak: one (referred to as 'Q' in this decision) to validate the claim; the other (referred to as 'D' in this decision) to trace, access, and repair the leak. D repaired the leak in November 2020.

In November 2021, Ms S discovered a new leak. She believed this was coming from the same place as the first. By that time, Ms S was with a different insurer. Her new insurer wouldn't consider the claim and referred Ms S back to AXA. AXA didn't accept the new claim. It said:

- D told Ms S when it repaired first leak that she needed to "*get the remaining pipework looked at, due to its age and wear and tear*".
- Q told Ms S AXA wouldn't deal with any "*related complaints*" after it settled her first claim.

Ms S was unhappy with this and brought her complaint to this service. She believes the earlier repairs can't have been done properly. She wants AXA to fix this and reimburse her for the damage caused to her kitchen.

Our investigator recommended that Ms S's complaint should be upheld. She was satisfied that the new leak was in the same place as the original leak. She thought this showed that AXA's contractor's original repairs were inadequate. She thought AXA should pay for any new repairs, including any damage caused by this second leak, and pay Ms S £250 to apologise for the distress the matter had caused her.

AXA disagreed with our investigator, so the case was passed to me to make a final decision.

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.

First, I apologise to both parties for the time it's taken to resolve this complaint.

I've considered AXA's argument that the November 2020 repairs were only temporary. AXA sent us a report by Q dated January 2022. This notes that Ms S disputes D's statement that

it told her the repairs were temporary and that D accepts it didn't confirm this to Ms S in writing. This is confirmed in an email from D to Q on 26 November 2021: "[D] *have no record of written correspondence to the customer outlining the 'temporary' repair, and this was confirmed to AXA in a telecon with their complaints department on Wednesday 24th November.*"

I also found an email from Q to AXA on 17 January 2022. It asked: "...if a temp repair why did [D] *concrete over the pipe?*" I think this is a fair point. Given the evidence, I find no reason to think the November 2020 repairs were meant to be temporary or that D told Ms S this was the case.

AXA said Q told Ms S it wouldn't carry out any further repairs. AXA didn't provide anything that supported this. It did, however, give us a letter from D to Ms S that said, among other things, any "*future claims may be prejudiced*". But this letter is dated 8 October 2005, five years before Ms S's first claim and repairs. Clearly AXA did accept a claim after telling Ms S that it might not so, in my opinion, this letter isn't relevant, and I don't think AXA can fairly rely on this for not accepting Ms S's second claim.

AXA also told us that the October 2020 leak was due to wear and tear so wasn't covered by Ms S's insurance. It said it repaired this as "*a gesture [of goodwill]*" to prevent further damage. It also noted a four month gap in cover between Ms S ending her AXA policy and taking out a new policy with her new insurer, and suggested the new leak happened while Ms S wasn't insured.

I don't accept AXA's statement that the original repair was done as a gesture of goodwill. There's no mention of this in AXA's notes of the claim at the time. Instead, AXA appointed Q to validate the claim. Q's report in February 2021 listed damage caused by the leak: damage to the flooring in the kitchen and bathroom, two kitchen units, and some "*decoration*". Q also identified some unrelated damage – for example, damage to the brickwork and interior walls – so proposed a cash settlement for damage relating only to the leak. In my opinion, this goes far beyond a gesture of goodwill. I don't think AXA would have made a cash settlement for this part of Ms S's claim if she wasn't covered.

Q's January 2022 report said D could hear water running under the concrete floor "*in the same area*" as the previous leak but couldn't confirm this was due to a failed repair without causing considerable damage to the kitchen.

I've reviewed the photo evidence provided by both parties. Ms S has also sent us a video of the leak. In my opinion the photos and video show the leaks were from the same area and most likely from the same pipe as the October 2020 leak. Given D fixed this less than a year before, I think it's reasonable to conclude that the original repair failed. AXA hasn't provided anything to show this is incorrect.

While I note AXA's point about Ms S's gap in her insurance, this doesn't affect my decision that the new leak is most likely the result of the first repair not being good enough. I don't accept AXA's arguments why it shouldn't repair the second leak, so I think it needs to arrange for these repairs to be done. It should also appoint an expert to assess the damage caused by this second leak and pay for this.

It's clear that this matter has caused Ms S inconvenience and it's also clear that AXA's refusal to accept responsibility for its contractor's repairs has caused her distress. I think AXA should pay Ms S £250 for this.

My final decision

My final decision is that I uphold the complaint and require AXA Insurance UK plc to:

- Arrange for the leak in Mr B and Ms S's kitchen to be repaired.
- Assess and pay for any damage caused by this leak.
- Pay Mr B and Ms S £250 to reflect the inconvenience and distress this matter has caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Ms S to accept or reject my decision before 7 February 2023.

Simon Begley
Ombudsman