

The complaint

A company, that I'll call G, complains that AXA Insurance Plc (AXA) has declined a claim made under its commercial and residential landlords insurance policy.

What happened

G made a claim to AXA for damage caused to a property they own. AXA appointed a surveyor to inspect the damage. The claim was subsequently declined on the basis the damage wasn't caused by a one-off insured event.

G disputed AXA's decision and AXA asked another surveyor to review the damage. But the decision was ultimately maintained. Although the damage claim was declined, AXA agreed that it took too long to reach that decision and offered G £200 compensation. As G was unhappy with the claim decision it approached this service.

Our investigator looked into things, but she didn't recommend AXA do anything further. She said the policy covered one-off insured events, but based on the reports of the damage, she didn't think this is what had happened. Instead she thought the damage had been ongoing gradually for a period of time. So, she didn't think AXA had acted unfairly by declining the claim.

G didn't agree and asked for a final decision from 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.

G's policy covers a number of specific one-off insured events, such as storm, flood and escape of water. It also covers wider accidental damage. But with the policy cover, there are also exclusions that apply.

There was some initial confusion as to when the claim and damage first occurred and when this was reported to AXA. But it was later advised that the damage happened in October 2020. G said that there had been an ingress of water due to a broken gutter.

When AXA were notified, they appointed their surveyor to inspect the damage. They looked at the various areas of damage. They concluded that the damage had happened over a period of time, and was a longstanding issue, rather than as a result of a one-off insured event. So, the claim was declined.

The second review of the damage AXA completed also concluded the same and that claim decision was maintained.

As I say, the policy does cover one-off events such as storm or flood, but based on what I've seen, which includes the surveyor report and images of the damage, I don't think these demonstrate the damage was caused by a one-off insured event. Instead it appears the

damage is longstanding, has been ongoing and historic, rather than due to a single one-off insured event.

For example, the report concludes rainwater has been overflowing the hopper and running down the elevation causing ingress over time, the rear lower level roof is suffering from a lack of maintenance and showing signs of historic wear and tear, and there is long term water ingress to the basement which has also caused damp and rot to occur. And having considered the report and images, I find the conclusions reached in it persuasive.

G says a broken gutter allowed the water to enter the property in one single event. But the gutter has been fixed and it's unclear how the level of damage that has been caused, in so many different areas, and the deterioration that's present, would've been caused by a single one-off event. And as I say, on balance, I find the surveyor's report and images and conclusions persuasive.

Along with specific one-off insured events – which I don't think has been shown caused the damage here, G's policy also covers wider accidental damage. However, this also excludes wear and tear, defects, rot, gradual deterioration and routine maintenance and repair, which on balance I think has caused the damage here.

I've also considered the roof report which G submitted from around a year prior to when the loss was said to have happened. And whilst I note the report comments on the condition of the roof at that time, I don't think it demonstrates the later damage claimed for was solely due to a one-off insured event, rather than as a result of the conclusions reached by the surveyor report and images - which I find persuasive.

AXA recognise the claim handling could have been better and offered £200 compensation to G in their December final response letter. I don't think that's unreasonable, so I'm not going to ask AXA to do any more.

My final decision

AXA Insurance Plc has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that AXA Insurance Plc should pay £200, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 14 September 2022.

Callum Milne
Ombudsman