

The complaint

Mr and Mrs H are unhappy with AXA Insurance UK Plc's decision to turn down a storm claim under their Residential Let policy.

All references to AXA include its appointed agents.

What happened

Mr and Mrs H raised a claim on their policy with AXA for damage to their rental property. They said the damage was caused by high winds during a storm. The damage consisted of render that had blown away from the side of the property, which in turn caused damage to the conservatory frame.

AXA appointed a loss adjuster to investigate the claim. AXA said it couldn't be shown the storm was the primary or effective cause of the damage to the render. It said that it was more likely the render had become water damaged and loose over time, and that the winds highlighted the problem.

Mr and Mrs H were unhappy with AXA's decision and say AXA asked them to provide their own surveyor report. They did so, and said it showed the storm was the main cause of the damage.

AXA reviewed Mr and Mrs H's report but maintained its decision to turn down the claim as a result of wear and tear to the render. It said Mr and Mrs H did have Accidental Damage cover if they wished it to consider the damage to the conservatory. AXA offered Mr and Mrs H £25 compensation for some poor communication during the claim.

Mr and Mrs H didn't agree and referred the matter to our service. In summary they said:

- They'd had to pay out for an independent survey that they didn't think had been fairly considered.
- They'd like a further independent surveyor to come out and assess the damage.
- That the wind was the predominant cause of the render failing as it was in good condition before the storm.

Our investigator looked at everything and recommended the complaint be upheld in part. They concluded that the evidence provided by Mr and Mrs H wasn't sufficient to show how the render had been loosened by the wind, or that it didn't have any pre-existing issues already. So, they concluded that it was reasonable for AXA to turn down the claim.

However, our investigator concluded that AXA hadn't sufficiently managed Mr and Mrs H's expectations regarding them getting their own report. So, they recommended AXA reimburse the cost of the report, plus 8% simple interest from the date Mr and Mrs H paid for the report to the date of settlement.

Our investigator also identified further delays and examples of poor communication. So, they recommended AXA increase its compensation payment to £150 total in the circumstances.

AXA accepted our investigator's findings. Mr and Mrs H disagreed. In summary they said:

- There's no proof that any cracks in the render existed prior to the high winds.
- AXA's loss adjuster mistook an expansion joint for cracking, so this raises questions over the general accuracy of its report.
- The surveyor who provided the independent report clearly states they believe the render has fallen as a result of the winds.
- They don't feel AXA's poor handling of the claim has been recognised.

The complaint has now 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.

My role isn't to determine what exactly caused the render to fail, but rather to decide if AXA's decision to turn down the claim was fair and reasonable in the circumstances. AXA's position is that it hasn't been shown a one-off storm caused the damage being claimed for. And that the damage happened gradually. As AXA has relied on a policy exclusion, the onus is on it as the insurer to show the exclusion fairly applies.

I can see that Mr and Mrs H have asked for a copy of AXA's report and our investigator is addressing this. But I don't think that prevents me from reaching a fair and reasonable outcome to this complaint in the meantime. I'll explain why below.

The three key questions our service considers in the circumstances of a storm claim are:

1. Was there evidence of a storm around the time of the claim?
2. Is the damage typical of the damage that would be caused by a storm?
3. Was the storm the main cause of the damage?

To answer these questions, I've considered the expert reports provided by both parties. And I've also checked the local weather records from around the time of the claim.

Both parties accept there were high winds around the time of the claim, which could be classed as storm level winds. So, the first question isn't in dispute here.

The photos I've seen show a portion of the render has broken off near a first-floor window. Mr and Mrs H's view is that the wind speeds were sufficient in force to pull the render off the structure. AXA's view is that correctly applied render would be bonded to the structure and wouldn't break down unless in exceptional circumstances. And its surveyor stated there were visible cracks to the render between the windows which would allow water to penetrate and expand, causing debonding.

I've thought about both points carefully, but on balance I'm more persuaded by AXA's view, so I conclude that the damage to the render isn't consistent with what I'd expect to see from a storm.

I do accept there's a degree of subjectiveness as to what is or isn't considered typical storm damage. So, in order to give Mr and Mrs H the benefit of the doubt, I've also considered the third question about whether the storm was the main cause of the damage.

Having carefully considered everything, I am more persuaded that the storm wasn't the main cause of the damage. I say this because:

- The evidence from both reports suggests that *some* cracking was present in the render.
- Mr and Mrs H's report suggests that winds "*could have*" caused the render to be effectively pulled from the buildings. And that "*Whilst traditional sand and cement renders **should** withstand general weather conditions, storms and exceptionally adverse high winds will **always** have potential for damage to buildings.*" (My emphasis in bold).

I find this to be more of a general observation. It's not persuaded me that the wind managed to cause the damage claimed to the render, which should've been applied to resist all but the worst weather conditions.

In other words, I'm not persuaded on balance that the wind speed recorded was sufficient to remove the render without any other intervening cause (such as an underlying defect).

Therefore, I don't find it unreasonable for AXA to conclude that the damage happened over time as opposed to suddenly failing. So, I find AXA has assessed the claim fairly on the available evidence. The policy excludes gradual damage and I'm persuaded that AXA has shown this exclusion applies.

I do agree that AXA could've managed Mr and Mrs H's expectations better around the obtaining of an independent report. And I'm satisfied that the reimbursement of this report and the additional interest will put Mr and Mrs H back in the position they would've been in but for AXA's communication.

In turn, I can also see times during the claim where Mr and Mrs H had to chase responses from AXA regarding updates to the claim, including the outcome of their independent report review. And this would've added additional frustration above what would typically be expected for a claim of this nature. So having considered everything, I agree that a payment of £150 compensation fairly reflects the distress and inconvenience caused by AXA here.

For these reasons, I uphold this complaint in part.

My final decision

My final decision is that I uphold this complaint in part and require AXA Insurance UK Plc to:

- Reimburse Mr and Mrs H for the cost of their own independent report.
 - Add 8% simple interest on this sum, from the date Mr and Mrs H paid for the report, to the date of settlement.
- Pay Mr H and Mrs H £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 9 December 2022.

Dan Prevett
Ombudsman