

The complaint

Mrs C complains AXA Insurance UK Plc unfairly declined her Buildings Insurance claim.

Mrs C is being represented in her complaint by Mr L.

All references to AXA also include its appointed agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

Further developments

I wrote to both parties on 30 January 2023 to provide my intended findings. I said:

"I've considered the relevant information about Mrs C's complaint. Based on what I've seen so far, I broadly agree with the opinion reached by our investigator. But I'm thinking of coming to a slightly different outcome on one aspect. So, before I issue my final decision, I wanted to give everyone a chance to reply.

I'll look at any more comments or evidence that I get by 10 January 2023. But unless the information changes my mind, my final decision is likely to be along the following lines.

From looking at all the evidence available I can see there are several issues internally and externally that persuade me the property is suffering from damp as AXA has described. The photos available show the property to be in poor general condition, including in areas not near the damage being claimed for.

However, it's not in dispute an escape of water has occurred under the Kitchen Sink. And while I am persuaded there is damp present as AXA have said, I'm not persuaded it would have caused the pooling and the subsequent damage to the Kitchen floor and cabinets.

So, I think it's fair AXA settle the claim limited to the damage from the escape of water under the remaining terms and conditions of the policy.

Due to the other factors identified, AXA might consider it may be unable to provide a lasting and effective repair and may wish to offer a settlement. I don't think this would be unreasonable.

If does this, it must do so at the rate it costs Mrs C on production of sufficient proof – such as quotes."

Responses to my intended findings

Mr L responded to say he accepted my intended findings.

AXA said it didn't disagree there had been a leak behind the kitchen cupboard. But it said the damage to the property was extensive, had occurred over a period of time and was not

connected to the leak. AXA said these issues weren't mitigated and this prejudiced its position in settling the claim.

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 considered what AXA has said, but it doesn't change my decision – or my reasoning.

I note there is extensive damage throughout the property. However, I'm not persuaded the damp, is the primary cause of the damage to the items in question – the kitchen floor and some of the cabinets that were damaged. This damage is located directly in the area the leak occurred and I'm not persuaded damp would cause the pooling or the subsequent damage shown in the photos provided.

However, given the extent of unrelated damage within the localised area to the escape of water, I think in this instance AXA does not need to provide a proportional settlement towards the costs of replacing unrelated items. So here my direction is only that AXA need to settle the claim limited to the items directly damaged by the escape of water.

So, for these reasons, I uphold this complaint.

Putting things right

AXA should proceed to settle the claim, limited to the damage from the escape of water, under the remaining terms and conditions of the policy.

If AXA chooses to offer a settlement it must do so at the rate it costs Mrs C on production of sufficient proof – such as quotes.

My final decision

My final decision is that I uphold Mrs C's complaint.

To put things right, I direct AXA Insurance UK Plc to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 1 March 2023.

Michael Baronti
Ombudsman