

## **The complaint**

Mr and Mrs H complain that AXA Insurance UK Plc unfairly declined their claim on their home insurance policy following water damage to their lounge.

## **What happened**

Mr and Mrs H had home insurance that was underwritten by AXA. In June 2022 they made a claim after heavy rain caused water to ingress into the property causing damage to their lounge.

AXA declined the claim as it said the weather conditions on the day didn't meet the policy definition of a storm, so cover wouldn't apply.

Mr and Mrs H made a complaint as they didn't think this was fair. They said the rain in the area had been severe, as demonstrated by various news articles and weather reports.

AXA didn't uphold the complaint. It said the policy definition of a storm requires there to have been at least 25mm of rain per hour or 55mph wind. It said its weather platform showed less than 10mm of rain per hour and winds of 28mph. It said as there hadn't been a storm there wasn't a peril that was covered by the policy so the claim wouldn't be covered.

Unhappy with this, Mr and Mrs H brought the complaint to this service.

Our investigator recommended the complaint be upheld. She said that while she agreed there hadn't been conditions that met the policy definition of a storm, Mr and Mrs H had accidental damage cover as part of their policy and the internal damage should have been considered under this.

She went on to say that while the policy limits accidental damage cover to that which was caused by the policyholder, their guests or vermin, she thought this was a significant term and it hadn't been made clear to Mr and Mrs H when they took the policy out. So she didn't think it fair for AXA to apply this limited definition. She therefore thought AXA should consider the claim for internal damage under the accidental damage cover, without applying the limited definition, and pay £100 compensation for the distress and inconvenience it caused.

Mr and Mrs H accepted our investigator's outcome, however AXA didn't. As agreement hasn't been reached, the complaint has come 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.

AXA declined Mr and Mrs H's claim as it says the weather in the area at the time didn't meet the policy definition of a storm.

When a claim is made for damage caused by poor weather, this will usually be considered under the storm peril in the policy. Here, AXA provides a definition of the conditions required in order for the storm cover to apply:

*'A period of violent weather with wind speeds of at least 55mph, or rainfall of at least 25mm per hour, or snowfall of at least 30cm in 24 hours, or hail of such intensity that it damages hard surfaces or breaks glass.'*

I've looked at the weather data tools we have available, as well as evidence provided by both AXA and Mr H and I'm satisfied AXA made a fair decision to decline the claim under the storm peril in the policy. The requirement in the policy terms is an hourly rainfall of at least 25mm. And the maximum hourly rainfall noted at the time of the damage was between 9 and 10mm.

I note Mr H's comments about the reliability of the weather data available based on the placement of weather stations and their proximity to his home. However the weather data tool we use relies on satellites and radars and generally gives data from around 1km away from the post code entered. Further, across all the evidence I've been provided I've not seen anything that shows hourly rainfall close to 25mm. So I'm satisfied AXA acted fairly by declining the claim under the storm peril.

However, where there's damage caused by bad weather and accidental damage is included in a policy this service would expect the internal damage to be considered under this.

AXA has pointed out that the accidental damage cover in the policy is restricted to damage caused by *'You, Your guests, or Vermin'*. So cover wouldn't apply under this section either.

Accidental damage cover is an additional add on that consumers select in order to cover unforeseen damage within their home. Reducing this to just that caused by those listed, puts a significant limit on what is covered. I therefore consider the term to be both significant in its impact and unusual for home insurance policies.

Under guidance issued by the Financial Conduct Authority (FCA) insurers are expected to highlight significant and unusual terms outside of the main policy terms. I've looked at the policy schedule and in relation to accidental damage cover it confirms that 'full' cover is included for both buildings and contents but includes no further detail. And in the 'Insurance Product Information Document' that contains the key features and exclusions of the policy, it just states 'accidental damage' as an optional extra with no further details as to limits or exclusions.

Based on this, I don't think AXA made the significant and unusual term clear to Mr and Mrs H. I therefore don't think it's fair or reasonable for it to rely on the unusual limitation of the cover.

For this reason I agree with our investigator that it should consider Mr and Mrs H's claim under the accidental damage cover in the policy, without applying the requirement for the damage to be caused by *'You, Your guests or Vermin'*.

Further, due to the unclear term in the policy, it has now taken a long time for Mr and Mrs H to have their claim fairly assessed. And this has caused them some distress and inconvenience. Due to this I agree with our investigator that it should pay £100 compensation to apologise for this.

### **My final decision**

For the reasons I've given, I uphold Mr and Mrs H's complaint and direct AXA Insurance UK Plc to:

- Consider Mr and Mrs H's claim under the accidental damage cover in the policy, without applying the requirement for the damage to be caused by 'You, Your guests or Vermin'.
- Pay Mr and Mrs H £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 13 April 2023.

Sophie Goodyear  
**Ombudsman**