

## **The complaint**

Mr W is unhappy with how AXA Insurance UK Plc's ("AXA") has handled a claim made on his home insurance policy.

Mr W is being represented on this complaint. Any reference to him includes the comments of his representative. Any reference to AXA includes the actions of its agents.

## **What happened**

The circumstances of this complaint are well known to both parties, so I've summarised events.

Mr W has a home insurance policy which is underwritten by AXA. He made a claim in early February 2023 when his property was damaged following a storm. Mr W said the storm had caused damage to the ground-floor utility room and first-floor bedroom.

AXA appointed a surveyor who visited the property and reported:

- There was an ingress of water in the utility room, and first-floor bedroom.
- The utility room is under a flat felt roof where the edging had lifted in places. The roof was showing signs of ageing and general longer term weather degradation.
- The ingress of water to the first-floor bedroom is due to damaged flashing.
- Mr W had said the property was used as a holiday letting which isn't reflected in the statement of fact.

AXA said Mr W hadn't told it the property was used as a holiday let when taking out the policy, and so, it contacted its underwriter to see if it would still provide cover.

At the end of March 2023, AXA sent Mr W an updated policy schedule reflecting the property being let as a holiday home. The updated schedule included endorsements which were specific to how the property was being used.

With regards to the claim, AXA agreed to cover the water ingress to the first-floor bedroom as it said the damaged flashing was the result of a one-off storm. It appointed contractors to complete the work, but Mr W wasn't happy with their conduct. AXA said it had other contractors it could appoint but that they'd also need to go through the process of inspecting the work and allocating trades to complete it - which would mean the repairs wouldn't start as soon. It also offered Mr W a cash settlement of approximately £2,100.

At the same time, it asked Mr W to send quotes he'd obtained from his own contractors. Mr W provided a quote for approximately £12,000. AXA reviewed it but said it didn't show how the scope of works had been calculated, and that it included works which had been declined. It said Mr W would need to provide a further breakdown or accept its cash settlement. At the time of its final response dated 4 April 2023, Mr W hadn't accepted it.

AXA declined the claim for damage to the flat roof and utility room saying the flat roof was showing signs of wear and tear and a lack of maintenance - which means the damage isn't covered. It said weather can highlight maintenance issues, but that the policy doesn't cover maintenance related issues or poor workmanship.

It said further investigations weren't justified because of the policy's exclusion relating to flat roofs which says:

*"where damage occurs because of a failure of flat roofs, no cover is provided unless [Mr W] can provide evidence that the roof had been inspected and maintained at least every 10 years by a registered builder."*

Unhappy with how the claim had been handled, including AXA's decision to not cover the damage to the ground floor, Mr W complained. In its final response letter, AXA said:

- It doesn't dispute storm conditions were prevalent at the time of loss. But the surveyor's report does not confirm the damage to the ground-floor utility room is consistent with a one-off storm event. Rather that it is due to the flat roof failing as a result of wear and tear and/or lack of maintenance.
- Its cash settlement still stood in respect of the damage to the first-floor bedroom – and it asked Mr W if he wanted to accept it.
- There had been some avoidable delays and it would pay £150 compensation to recognise the impact of this.

Unhappy, Mr W brought the complaint to this Service in June 2023. An Investigator considered it but didn't uphold it saying:

- AXA had fairly declined the damage to the flat roof and utility room because the surveyor's findings confirmed the flat roof showed signs of wear and tear. The storm had highlighted a maintenance problem.
- AXA's offer to reconsider the outcome of the claim on receipt of evidence from Mr W - showing the roof had been inspected and maintained at least every 10 years by a registered builder - was reasonable. But there was currently no evidence of this.
- The compensation was in line with awards this Service makes.

Mr W disagreed and so, the complaint was referred for an Ombudsman decision. Since then, AXA offered Mr W an increased settlement which he declined saying it wasn't sufficient. He said AXA needed to find another contractor to complete the repair or bring the cash settlement in line with his contractor's quote.

### **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.

Having done so, I'm not upholding this complaint and I'll explain why. But before I do, it's important to set out what I can and can't consider in this decision. AXA sent its final response on 4 April 2023 meaning I can only consider events up until this date.

I'm aware Mr W has concerns about how his claim has been handled since 4 April 2023, and I appreciate it'll disappoint him that I can't consider the entirety of his claim to date at this

time. For that to happen, he'll need to raise a new complaint with AXA about events after its final response letter. Once AXA has considered the matter, he can bring it to this Service.

If I haven't commented on something Mr W has raised within my decision it's because I don't consider it key to determining the complaint, or its outside the scope of this complaint. From reviewing the complaint, I consider there to be three key issues for me to decide.

- Whether AXA's proposed means of settling the claim in respect of the first-floor damage is fair and reasonable.
- Whether AXA's declinature of the utility room damage is fair and reasonable.
- Whether £150 compensation reasonably reflect the difficulties Mr W says he's experienced with this claim.

#### *First-floor bedroom*

The policy provides cover in the event of a storm. Here, it's not in dispute storm conditions occurred around the time the damage was said to have happened. AXA has accepted the flashing was most likely damaged because of a storm, and that the ingress of water which damaged the bedroom stemmed from this.

As AXA accepts there was a storm, that the damage to the flashing is consistent with that typically caused by a storm, and that it is the main cause of damage, I don't need to consider these points further.

Mr W is, however, unhappy with the cash settlement offered by AXA. At the time of its final response, AXA had reviewed Mr W's contractor's quote and asked him to provide a further breakdown of it. I'm satisfied this was a reasonable request given the significant difference between Mr W's contractor's and AXA's estimation for the works. And because Mr W's quote on the face of it, appeared to include works which would be considered betterment.

Whilst outside the timeframe I'm considering, I have seen that how the claim is to be settled remains an ongoing issue between the parties and things have moved on since AXA's final response. Given the ongoing nature of this matter that is still continuing to develop, I don't think it's appropriate for me to determine a conclusion to this matter at this time. But I am satisfied the action AXA had taken to date within the timeframe I'm considering is fair, and it's request for a clearer breakdown was reasonable.

#### *Utility room*

As explained above, it's not in dispute there were storm conditions around the time the damage to the utility room occurred. But AXA says the damage is excluded because it happened as a result of the flat roof already being damaged due to it having gradually deteriorated over time due to weather degradation, and a lack of maintenance. It says the storm merely highlighted an underlying issue.

I don't consider AXA's position to be unreasonable given the surveyor's findings. Namely that the edging of the felt roof was lifting and that this was consistent with general wear and tear and a lack of maintenance. This "lifting" is evident in the surveyor's photographs.

AXA has also said the roof may have been incorrectly installed. If the roof is less than 10 years old, it would seem unusual for it to fail so soon after being built. And so, I don't consider it unreasonable for AXA to have concluded the roof may have failed because of "poor workmanship" – and to also decline the claim on this basis, as damage caused by this

is excluded under the policy.

The policy says that for any claim, regardless of the cause, no cover is provided for *“Flat roofs, or damage caused by failure of flat roofs, unless there is proof that the flat roof had been inspected and maintained at least every 10 years by a registered builder.”* On its face, because the flat roof has failed there isn’t any cover under the policy for the damage to Mr W’s ground-floor utility room. But I’ve considered whether Mr W has provided evidence to show the flat roof above it was inspected and maintained as required by the policy term.

It’s not clear when the flat roof was installed. If it was less than 10 years before the damage occurred, I might consider it unreasonable for AXA to require proof of an inspection given the policy doesn’t require an inspection and maintenance before 10 years. But this is unknown. AXA has asked Mr W whether the roof was inspected when he purchased the property and for him to share his home buyers report with it, but Mr W hasn’t done so. So, I’ve got little to go on.

If the roof was installed more than ten years before the damage occurred, I’m not satisfied he’s provided persuasive evidence to show the roof had been inspected and maintained at least once every ten years by a registered builder. I say this because whilst Mr W has provided a list of the safety and maintenance checks he carries out (in order to let the holiday home), notably, an inspection of the flat roof doesn’t feature.

In addition, the guarantee he’s provided, together with the FENSA certificates, are in relation to the property’s doors, windows, and their hardware – not the flat roof. So, I’m not persuaded he’s demonstrated the roof had been inspected and maintained as required. So, I consider AXA’s decision to decline this part of Mr W’s claim to be both in line with the policy terms, and fair and reasonable in the circumstances.

In determining whether AXA has acted fairly, I’ve also considered the other cover available to Mr W under his policy, I’m satisfied the policy does not provide cover that this particular claim could fall under.

### *Compensation*

Mr W says AXA has handled his claim poorly because he’s had to chase for updates, there’s been avoidable delays, together with what he considers to be the unfair declination of part of his claim. He doesn’t consider £150 compensation to reasonably reflect the difficulties he’s experienced.

I’ve explained above that I consider AXA’s decision to decline the claim in respect of the utility room damage to be fair and so, whilst a disappointing outcome, compensation isn’t warranted.

I also have to keep in mind that the timeframe I’m considering is relatively short - a two-month period from the date the claim was raised to the date of AXA’s final response. Whilst I agree there were times when AXA’s handling of the claim fell short, I haven’t seen evidence which persuades me the compensation should be increased above £150 for this period.

I note Mr W has said he also lost out on a rental income owing to AXA’s handling of the claim. Given the time period I’ve considered is only two months, this isn’t the sort of remedy I would apply. It’s unclear to me if Mr W has raised this issue to AXA at this time about the events that followed, but I will leave him to do this in the first instance before this Service comments.

I appreciate my decision will be disappointing for Mr W, but for the reasons set out above, I'm not upholding it.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 August 2024.

Nicola Beakhust  
**Ombudsman**