

## **The complaint**

Mr S complains about the way AXA Insurance UK Plc (“AXA”) handled a claim made under his home insurance policy.

## **What happened**

In April 2023, Mr S made a claim to AXA for a leaking water supply. AXA investigated the claim further but repairs weren’t completed until October 2023. Mr S made a complaint about the poor customer service he’d received and the delays in dealing with the claim. He said he’d had to chase for updates, and that he and his father had taken considerable time off work to deal with the issues that arose. And he said the claim had a significant impact on his mental health as it took longer than it should’ve to resolve, leaving him with no running water for a significant period of time.

AXA said in its response that the delays were in part due to the fact that permission was needed from Mr S’s neighbour in order for excavation works to begin. AXA has provided a number of final responses, including on 25 September 2023 when it offered Mr S £100 compensation due to delays and poor service, on 19 July 2023 and 3 June 2024 when it did not uphold aspects of Mr S’s complaint, on 2 July 2024 when it offered £75 compensation for poor service, and on 29 July 2024 when it offered £100 compensation.

This decision focuses on the events which occurred up to the date of the 25 September 2023 final response letter. And I won’t comment on Mr S’s separate complaint about the alleged mis-selling of the policy.

Our Investigator considered the issues and thought this complaint should be upheld and AXA should pay more compensation as well as a disturbance allowance. AXA disagreed, saying the supply pipe had essentially corroded which wasn’t an insured peril under the policy. It said that as cover was declined for that reason, they couldn’t agree to the additional compensation or the disturbance allowance.

Mr S accepted our Investigator’s recommendations, but as AXA did not, 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.

Having done so, I’ve decided to uphold this complaint. I’ll explain why.

Mr S made the claim initially in mid-April 2023. He mentioned that he had no running water at the time – however it wasn’t until 10 May that AXA’s contractors visited the property but weren’t able to locate the leak. Later that month a further visit was made, but it was decided that contractors would need to excavate in order to locate the source of the leak. The source was found to be at the neighbour’s property and so authorisation was required before works could commence.

But AXA didn't request authorisation from the neighbour until June 2023. A further visit took place in August 2023 because Mr S expressed his dissatisfaction with AXA's decision that the claim wasn't going to be covered. And I can see from the information provided, that following the August visit, it was confirmed that a further visit would be required to expose and repair the pipe. I don't consider that this demonstrates AXA was treating the matter urgently enough, given that Mr S and his partner were experiencing considerable inconvenience due to the lack of running water. But I think it shows that AXA was dealing with the claim as if the matter was covered under the policy.

AXA has said, in response to our Investigator's view, that the claim wasn't covered, so they don't agree with the compensation or disturbance allowance that's been recommended. I've thought carefully about what AXA has said. It's specified that the claim wasn't covered due to the pipe under the inspection chamber in the garden of the neighbouring property being so heavily corroded that it wasn't serviceable. But the evidence to support this isn't as persuasive as Mr S's own photographs, which show the pipe to be in good condition.

And whilst I appreciate AXA's position on the claim, AXA and its contractors seem to have treated the claim as if it had been accepted, for example when works were being carried out to repair the leak and replace pipework.

It follows therefore, that I consider it fair and reasonable for the disturbance allowance to be paid, subject to Mr S providing the information AXA needs in order to calculate the amount due, because the claim was treated as a valid one. The increased compensation amount should also be paid to reflect the level of distress and inconvenience caused to Mr S. AXA offered £100 for this, but I consider £900 to be an appropriate amount of compensation in the circumstances, as this better reflects the time Mr S and his partner were without running water while the claim was not being treated with the urgency it required. This caused Mr S serious disruption to his daily life over a sustained period, with the impact being felt over several months.

For the reasons I've explained above, AXA should now take the following steps to put things right for Mr S.

### **Putting things right**

AXA Insurance UK Plc must now:

- Increase the amount of compensation due to Mr S from the £100 originally offered for distress and inconvenience to £900 in total. It may deduct from this amount any compensation it has already paid Mr S for this particular complaint.
- Pay a disturbance allowance to Mr S, subject to Mr S providing further information or evidence of additional costs he's incurred, as required.

### **My final decision**

My final decision is that I uphold this complaint and I require AXA Insurance UK Plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 October 2024.

Ifrah Malik  
**Ombudsman**