

## **The complaint**

Mr C has complained about the way AXA Insurance UK Plc decided to settle a claim he made under his home insurance policy.

All reference to the insurer AXA in my decision includes its agents.

## **What happened**

Mr C reported damage to his home caused by a leak to his insurer AXA. AXA settled Mr C's claim under the accidental damage section of his policy.

Mr C says AXA should settle his claim under the 'Trace and Access' (T&A) section of his policy, which carries a higher policy limit.

AXA said it had correctly settled his claim. But it accepted it had caused some delay and provided some poor service in its handling of the claim. For the distress and inconvenience caused, AXA paid Mr C a total of £250.

Mr C asked us to look at his complaint. Our Investigator thought AXA had acted reasonably and in line with the policy. He relied on the information provided by Mr C in relation to the works carried out that the source of the leak was from an underground pipe, which was excluded from cover under T&A.

Mr C disagrees. In summary he says AXA wasn't clear in the information it gave him about his claim. He says the policy summary says tracing and accessing leaks is included.

Mr C says the water escaped from the building of the property. He says if the water escaped from an underground pipe (which is excluded under T&A cover) then the chances are the water would just soak away into the ground. He says the building acted as a container and eventually the water seeped out through the walls.

Mr C has provided video footage of the leaks. He says AXA told him in September 2023 that his claim qualified under the T&A section and asked him to provide further evidence, and then changed their mind.

As Mr C doesn't agree, the case has 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.

Mr C's policy with AXA doesn't provide cover for every eventuality, but for specified insured events listed under the policy.

From the documents Mr C has provided, although he says it wasn't clear as to the source of the leak, the contractors isolated a mains water supply from a shared underground pipe with a neighbour in order to carry out works to redirect water into Mr C's property, which stopped the leak.

The key sections of Mr C's policy with AXA say the following:

*Trace and access: The cost of tracing and accessing the cause of an escape of water (EOW) or oil (up to £7,500 per claim) and repair costs for the cause of the leak (up to £250 per claim).*

Under the section “What is not covered” AXA goes on to say;

*“For any claim caused by escape of water, no cover is provided for:*

*Water escaping from anything other than fixed indoor; pipes, boilers, water tanks or toilets (i.e. these are covered);*

And;

#### *Section 1 (A) Basic Accidental Damage to Buildings*

##### *What is Covered*

*Basic Accidental Damage provides a limited level of cover and is designed to protect Your Home from Accidental Damage, caused by You or Your guests, to:*

*✓ windows (including thermal expansion of glass)*

*✓ solar panels*

*✓ bathroom fixtures (e.g. toilet, sink etc.)*

*✓ ceramic hobs*

*✓ underground service pipes or cables.*

*Your Policy Document will show if You have chosen this section of cover.*

##### *What is Not Covered*

*For any claim relating to Basic Accidental Damage, no cover is provided for:*

*Clearing blocked drains, unless the pipe or drain itself are physically broken;*

*Damage to septic tanks, cesspits, or sewage treatment centres;*

*Damage caused by Pets, animals, insects, or Vermin;*

*Damage caused by infestation, corrosion, damp, wet or dry rot, mould, or frost;*

*Damage to Outbuildings;*

*Any amount over £1,500 per claim;*

*Damage caused by overflowing water.*

So, AXA met Mr C’s claim under the basic accidental damage section of his policy due to the location of the leak being from an underground pipe – and not being identified as coming from a fixed indoor pipe - in order to qualify under the EOW section (and therefore the T&A section) of the policy.

I understand that the water eventually leaked through Mr C’s home. But the source of the leak did not come from the walls of the building. And while I appreciate that the costs for repair works exceeded the limit of £1,500 under the policy, I think AXA’s decision to meet the claim under the basic accidental damage section of the policy was fair and reasonable.

There’s no dispute that AXA’s handling of the claim could and should have been better. AXA caused delay in responding to Mr C, providing information he asked for, reviewing video footage he provided, and which resulted in AXA asking Mr C to resend it. But I think the compensation AXA paid of £250 for the distress and inconvenience caused by its poor service and its apology is reasonable and within the range of award we give in similar circumstances.

**My final decision**

I'm sorry to disappoint Mr C. But for the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 October 2024.

Geraldine Newbold  
**Ombudsman**