

The complaint

Mrs and Mr S have complained about the way in which AXA Insurance UK Plc ('AXA') handled their claim following a ceiling collapse and for declining a part of the claim under their home insurance policy.

For the avoidance of doubt, the term 'AXA' includes its agents, surveyors, and contractors for the purposes of this decision

What happened

The kitchen ceiling at Mrs and Mr S's home unexpectedly collapsed at the beginning of August 2023. This caused damage to items below and also left dust and debris. They contacted AXA as their home insurer at the relevant time.

AXA declined the claim for the damage caused to the ceiling as it considered that this had happened due to wear and tear. However, it agreed to cover damaged items and contents and for certain re-decoration works under the accidental damage part of the policy. Initially there had been concern about the possible presence of asbestos in the ceiling, however after AXA appointed agents to check the position, this proved not to be the case.

Mrs and Mr S didn't think that the decline of their claim for damage to the ceiling was fair. They considered that AXA should have offered alternative accommodation as the house wasn't safe for a young family, because of dust throughout the house, and the possible presence of asbestos. They also thought that AXA had unfairly delayed progress of the claim in relation to damaged items and for the clearing up of dust and debris and deep cleaning.

Mrs and Mr S complained to AXA. They wanted AXA to accept their claim in relation to the ceiling, as AXA's surveyor had said that there was a water stain around the light fitting, so showing evidence of a previous water leak. They also wanted AXA to accept the flooring quote they'd obtained, for replacement on a like-for-like basis. Finally, they wanted compensation for the distress and inconvenience caused by AXA's handling of the claim.

AXA maintained its stance that the ceiling had collapsed due to wear and tear. It considered that it acted fairly in limiting its payment for floor replacement. It didn't consider the state of the house to justify covering the cost of alternative accommodation. It said that it paid disturbance allowance for a period instead, as Mrs and Mr S couldn't use the kitchen. It also acknowledged some shortfalls in its service and awarded £225 to recognise this.

Mrs and Mr S were unhappy with this outcome, and they referred their complaint to this service. The relevant investigator didn't uphold the complaint. In relation to each aspect of the complaint, she didn't consider that AXA needed to do anything else in response.

Mrs and Mr S remain unhappy with the outcome of their complaint and the matter has been referred to me to make a final decision in my role as Ombudsman.

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.

There are four broad aspects to Mrs and Mr S's complaint. These relate to the collapsed ceiling and the surveyor's involvement, the question of alternative accommodation, replacement laminate flooring and finally, the service provided and communication issues (including around the potential asbestos issue).

Unfortunately for Mrs and Mr S, I can't say that AXA has acted in an unfair or unreasonable manner in relation to any of these aspects, and I don't uphold their complaint. I'll explain why. In reaching this conclusion, I've also carefully considered the submissions of the parties as summarised below.

Mrs and Mr S explained that the incident occurred during a very difficult personal time for their young family, and they'd expected AXA to support them through the insurance process. Firstly, they felt that AXA should have covered all costs of the claim regarding the ceiling, on the basis that even AXA's surveyor suggested there was evidence of a leak. They felt that there must have been some water damage and that this should have been treated as integral to the claim. Mrs and Mr S were told to find a tradesman themselves to make the property safe. This proved difficult, they had to pay for this work themselves and the whole situation was hugely distressing.

As to AXA's surveyor, Mrs and Mr S felt that his decision was unfair and incorrect. They also felt there was a long delay in him attending and, when he did attend, they felt he'd predetermined the question of damage due to wear and tear, as he hadn't even seen the damage. However, he then pointed out that there was evidence of a leak. Mrs and Mr S noted that AXA had partially upheld a complaint due to the surveyor's conduct, and yet, were still relying on his opinion to decline to pay out based on his advice.

As to alternative accommodation, Mrs and Mr S considered that this was covered under both buildings and contents sections of the policy. They felt that their home was obviously not habitable and that it was unsafe due to the presence of huge amounts of dust and debris. They moved to stay with family and lived out of bags in a single room for eight weeks. They felt that AXA ignored their enquiries about alternative accommodation on several occasions and they didn't think that AXA's interpretation of the policy on this point was fair or correct.

Mrs and Mr S didn't feel that their costs had been covered in any way. They had to travel to and from their house to arrange for work to be done and this journey could, on occasions, take an hour. In the circumstances, they felt that their petrol costs had, *'far outweighed the small disturbance allowance we were provided...for food costs'*.

With regard to flooring, Mrs and Mr S said they provided a quote on a like-for-like basis for herringbone laminate flooring. They felt that AXA had provided no illustrations of the quality of the flooring it was looking at to provide its own figure. Mrs and Mr S said they'd provided their quote in good faith and had obtained it from a reputable local shop for high quality laminate as per AXA's own scope, so it wasn't the cheapest replacement. They said to AXA, *'I appreciate your offer which, given we don't have the original receipt, I understand is final, so we will continue with our complaint'*. They said they'd, *'ended up going with a different flooring as we couldn't find someone to fit the laminate in our timescale or we would have been out of the house longer than we already were so cannot provide a receipt for the like for like'*. They felt as if AXA had treated them like liars over this issue.

Finally, Mrs and Mr S thought that despite being told there might be asbestos present, AXA hadn't supported them at all. They said that after a couple of difficult and upsetting conversations, AXA did agree to arrange a check. They felt that AXA had delayed this matter and they'd had to wait until the asbestos test was done to get the ceiling made safe. Mrs and Mr S said they'd asked continually about deep cleaning and whether this would be covered under contents insurance. Without this, they felt the house wasn't safe, bearing in mind that they had a young family, and this caused a delay in being able to return home.

In summary, Mrs and Mr S felt that there had been delays and difficulties throughout in dealing with AXA and they found this traumatic. They didn't feel that AXA had taken account of their difficult individual circumstances and felt that the *'stress, upheaval and upset caused to our family has been huge'*. They'd chased AXA several times without response. They'd paid their premiums on a monthly basis and yet felt completely left on their own by AXA. They felt that it made the situation much worse and hadn't treated them fairly as customers.

I now turn to AXA's submissions regarding this case. In relation to the ceiling claim, it said that the policy was designed to cover one-off, unforeseen events. AXA said that its surveyor had confirmed that the ceiling collapsed due to failure of the lathe and plaster. It considered this to be due to wear and tear under the terms and conditions of the relevant policy, and it therefore wasn't covered. It stated that if Mrs and Mr S did wish to provide an independent report to confirm that an insurable peril had occurred and had caused damage to the ceiling, it could consider this aspect further. AXA agreed that its surveyor should have better managed expectations of the claims process and potential asbestos risk.

As to alternative accommodation, it said that this could only be considered under the policy if the property had become uninhabitable as a direct result of an insured event. It didn't consider the dust from the ceiling collapse had rendered the property uninhabitable. It agreed however that a disturbance allowance should be paid pending an agreed deep clean. In its notes, AXA referred to payment of disturbance allowance of £30 per day as Mrs and Mr S's kitchen was out of bounds.

As to the flooring issue, AXA said that its agent had attempted to contact Mrs and Mr S's flooring supplier on multiple occasions to obtain a breakdown of the quote they'd provided but didn't receive a prompt response. AXA considered the quote to be high, however it said that it did increase its settlement offer to reflect a higher value of replacement laminate flooring. It said that the flooring should have cost nearly £20 per square meter less than that originally quoted for and, *'The only consideration I would change this is if you had a receipt showing that the original flooring was this sum when laid'*.

Finally, as to service and communication concerns, AXA's notes indicated that in September 2023, it was awaiting completion of the ceiling works in order to progress the clean-up. However, it acknowledged there had been shortfalls in the service provided to Mrs and Mr S such as missed call-backs, resulting in them having to rearrange a builder, and also in providing the asbestos test results. It agreed that it could have been more proactive in providing updates and contacting Mrs and Mr S. In the circumstances, it awarded a total amount of compensation of £275 for the distress and inconvenience caused to Mrs and Mr S for these service and communication issues.

I now turn to the reasons for my final decision in this matter. The policy wording forms the basis of the contract between insurer and policyholder. The starting point for my decision is therefore the detailed wording of the terms and conditions of the relevant insurance policy. I've noted that in the buildings section of the policy, *'loss or damage resulting from escape of water'* is covered in principle. This comprises of *'sudden and unexpected water leaking from...any...fixed domestic water, drainage or heating installation'*. As to the contents of a

property, the policy notes that AXA will pay for accidental damage or loss of contents in certain circumstances.

The policy wording also has certain exclusions from cover. For example, it states *'We will not pay for any loss, damage, liability, cost or expense caused by.... Loss or damage caused gradually, or by wear and tear, depreciation, the effects of light or the atmosphere, mould, dry or wet rot or fungus and costs that arise from the normal use, maintenance and upkeep of your buildings and its contents'*.

The policy also provides for the cost of alternative accommodation in certain circumstances, that is; *'when your home cannot be lived in due to loss or damage covered by this policy'*. It makes it clear that AXA will always discuss this with the policyholder. There are then a number of factors which determine what, if any, costs will be paid out, including what type of accommodation is available and where it's located.

I note that AXA did accept part of Mrs and Mr S's claim in relation to accidental damage to certain items and contents, albeit Mrs and Mr S are dissatisfied with the manner in which AXA dealt with this issue. The first main aspect, however, is the buildings element of the claim and the collapse of the ceiling,

I note that the insurance policy potentially covers Mrs and Mr S in the event of an escape of water event. However, AXA invoked the standard exclusion as regards to wear and tear in this respect. I note that the surveyor rightly pointed out to Mrs and Mr S that there was evidence of previous water staining on the ceiling. However, I've seen no evidence to suggest that there was any on-going leak or indeed that the cause of the collapse was to do with any *'sudden and unexpected water leaking...'* There is no other evidence to support a contention that the ceiling collapse was due to an insured event and AXA concluded on the basis of the surveyor's findings, that the collapse was due to wear and tear.

From the available evidence including the photographic evidence, I consider that on the balance of probabilities, the collapse was due to the age of the ceiling and gradual wear and tear, so that it had come to the end of its normal lifespan. I've not been provided with any other evidence to confirm that the area was still wet or that there was any indication of a leak at the time the ceiling collapsed. I'm satisfied therefore that AXA haven't acted unfairly or unreasonably in declining this aspect of the claim.

I note what Mrs and Mr S have said that the surveyor predetermined the issue. Whilst I see that AXA acknowledged that there were certain failings in relation to the manner in which the surveyor handled the matter, I don't consider that there is sufficient evidence here to discredit his substantive finding that the collapse of the ceiling was due to wear and tear. I also consider that AXA acted in a fair and reasonable manner in stating that, if Mrs and Mr S did wish to provide an independent report to confirm that an insurable peril had occurred and had caused damage to the ceiling, then it could consider this further.

As to provision of alternative accommodation, I recognise that Mrs and Mr S's decision to move out of their home on a temporary basis wouldn't have been taken lightly. They understandably wished to move out on a temporary basis as there was a risk of asbestos dust being present. Whilst it was confirmed in August 2023 that there was no asbestos risk following the collapse, they nevertheless felt that the whole house had been affected by dust. Whilst I note that the relevant policy terms provide for reasonable costs of alternative accommodation to be covered in principle, this is when, *'your home cannot be lived in due to loss or damage covered by this policy'*.

There are a number of factors noted in the policy which determine when the costs of alternative accommodation are covered. During the key initial period, I'm satisfied that there

was a potential asbestos risk which hadn't been discounted. I consider that AXA should have been in close contact with Mrs and Mr S during this period to discuss potential alternative accommodation. Provision of alternative accommodation in itself can cause disruption and I note that Mrs and Mr S had then taken the entirely reasonable approach of going to stay with relatives. Again, very reasonably, it appeared that they didn't then incur any additional rental or accommodation costs. I'm very mindful that it was fortunate for AXA that Mrs and Mr S had been able to stay with family and that this avoided accommodation costs, and so there are no costs to be reimbursed. I deal with the service aspects of this below.

Once the risk of asbestos had been discounted, on the balance of probabilities, I can't say that AXA's interpretation of the policy wording as to alternative accommodation was unfair or unreasonable, as there is no clear evidence to show that the remainder of the house was uninhabitable due to the presence of dust throughout the property. I also note that AXA paid a daily disturbance allowance to Mrs and Mr S from the date of the incident until the deep clean. Whilst I appreciate that Mrs and Mr S felt that the allowance in no way covered the additional costs for their family, from the available evidence, I can't say that AXA took an unfair or unreasonable approach to making this payment.

Turning to the issue of replacement kitchen flooring, I'm entirely satisfied that Mrs and Mr S provided their quote for laminate flooring in good faith. I note however that AXA tried to contact the firm which had provided the quote to obtain clarification. The quote included an amount for preparation of the floor which AXA didn't think was necessary to ensure a like-for-like solution. Unfortunately, the flooring company didn't confirm whether the price was for laminate only. I note that AXA nevertheless increased its settlement figure, and also said it could look again at the figure if Mrs S and Mr S could supply evidence of the cost of the original flooring. I can't say that this was an unfair or unreasonable approach by AXA.

I appreciate that Mrs and Mr S felt that AXA took too long to progress their claim and caused avoidable delay. However, having carefully considered AXA's case-notes, I'm satisfied that it acted reasonably quickly to progress the claim. The initial inspection took place promptly after the ceiling collapse. There were then a number of parties involved, including Mrs and Mr S's contractors and the co-ordination of remedial works inevitably do take time. As to potential asbestos risks, this can considerably add to delays in the insurance process due to the potentially serious implications, however I consider that the timescale wasn't unreasonable in this case.

I'm mindful that the initial incident will have been traumatic and happened at a very difficult time for Mrs and Mr S's young family and it undoubtedly caused considerable disruption and distress. Unfortunately, as well as the incident itself, the insurance processes for dealing with a significant incident of this nature inevitably takes time, careful co-ordination, and constant dialogue. This inevitably causes some delay, frustration and inconvenience and any communication failures by AXA would have heightened their stress and frustration.

In terms of its service to the customer therefore, I do consider that AXA could have handled Mrs and Mr S's expectations more effectively and could have provided more active support in its dealings with them bearing in mind their difficult personal circumstances at the time. As above, I consider that AXA should have engaged with Mrs and Mr S to discuss potential alternative accommodation and I'm satisfied that there were failures to respond to them and to support them on occasion. I've noted that AXA did acknowledge certain service and communication failings and made total payments of £275 to recognise this.

I appreciate that this decision will come as a great disappointment to Mrs and Mr S. However, I'm satisfied that the level of compensation already offered by AXA is the level which this service would expect to be awarded as regards the type of service and communication failings which have occurred in this case. In conclusion, provided that the

payment of £275 has been, or is made to Mrs and Mr S, then I'm satisfied that this is a fair outcome to Mrs and Mr S's complaint.

My final decision

For the reasons given above, I don't uphold Mrs and Mr S's complaint and I don't require AXA Insurance UK Plc to do any more in response to their complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 3 July 2024.

Claire Jones
Ombudsman