

The complaint

Mr A has complained about AXA Insurance UK Plc's approach with regards to a claim under his home insurance policy for what he thinks is damage caused by subsidence.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for these reasons:

- I do not think there is clear evidence that the external damage to the insured property pre-dates the inception of Mr A's policy with AXA, as the images AXA has provided to support this are not clear.
- Bearing in mind the report provided by the loss adjuster AXA sent out made reference to sloping floors and downward movement of a party wall, along with other references to movement of foundations, I do not think AXA's rejection of Mr A's claim in the first instance on the basis of the exclusion for gradual damage or wear and tear was appropriate.
- And, while AXA did later offer to carry out monitoring for six months, I do not think this was sufficient. I say this because I think the inspection report suggests full site investigations were required, including monitoring, such as bore holes and checking the drains etc as opposed to just a period of monitoring. This would then have enabled AXA to establish whether there was ongoing movement, what had caused the movement previously and how long ago it was likely to have started.
- Mr A told AXA there had been recent movement of the floors, so it should also have taken this into account when deciding on what to do. But it doesn't appear to have done so.
- I don't think AXA's handling of the claim and Mr A's subsequent challenge to its decision on it was appropriate. It is clear AXA received correspondence from Mr A, which it didn't deal with. And this and its inappropriate response to his claim caused him distress and inconvenience. And I agree with our investigator that this warrants a compensation payment of £500.
- I appreciate Mr A has now gone abroad with his family and may have let his property to tenants. And that – in view of this – he may have had some rectification work carried out. But I do not consider it is appropriate for me to make AXA make a payment on his claim

until it has carried out a full and thorough investigation into the cause of the damage to his property. This means Mr A will need to liaise with AXA about the investigation into the damage to his property and the monitoring needed. Or he will need to appoint someone to do so on his behalf and pay for this.

Putting things right

For the reasons set out above, I have decided to uphold Mr A's complaint and require AXA to do the following:

- Reconsider Mr A's subsidence claim by carrying out full site investigations to determine the cause and nature of the damage to his property and movement of it (if there is any). And carry out monitoring to establish whether any movement is ongoing if it considers this is possible.
- If there is or has been movement due to subsidence AXA must take action to stabilise the property and repair any damage. If any repairs to damage that occurred before Mr A's policy with AXA started need to be carried out in order to provide a long and lasting repair to the damage which is covered under this policy, then AXA should also arrange and pay for these.
- Pay Mr A £500 in compensation for distress and inconvenience. B must pay the compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I uphold Mr A's complaint and require AXA Insurance UK Plc to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 February 2025.

Robert Short
Ombudsman