

## **The complaint**

Mr P has complained about the way that AXA Insurance UK Plc handled a claim he made under his home insurance policy.

## **What happened**

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr P got in touch with AXA in 2018 about damage to his property, thought to have been caused by a water leak due to a drainage problem with a culvert.
- A number of complaints arose and were referred to this Service. An Ombudsman considered matters up to July 2022. They said, in summary:
  - AXA had accepted the claim for water damage to Mr P's property and offered to settle it by cash payment.
  - AXA and Mr S had carried out a number of investigations into the source of the water, but it was unclear where it was coming from. There were problems with the nearby drainage, including the culvert, but third parties may have liability for these problems, including a sinkhole, and any damage caused.
  - AXA offered to carry out more investigations to consider the matter further – but not to break open the culvert. This was a reasonable way for AXA to approach the claim, and it was open to Mr P to take up the offer if he wished.
- The claim continued and a further complaint arose about the way it was being handled. I considered that complaint separately and found AXA had acted fairly, up to its complaint response in March 2024.
- After that, Mr P provided AXA with further investigations he'd carried out: a drainage survey by L and an engineer's report by H.
- AXA considered them but didn't change its position or offer to take any further steps with the claim. It said it had told Mr P in June 2021 that he had three months to provide information to establish the cause of damage – and that included breaking into the culvert. But it hadn't received anything along these lines until March 2024. AXA didn't think the investigations showed the cause of damage. It also said the damage and costs had increased over time.
- Mr P referred a new complaint to this Service. He indicated he was unhappy with the way the claim had been handled throughout. AXA agreed for us to consider the new complaint without it providing a further complaint response.
- Our investigator thought AXA had acted fairly in relation to the new complaint. She said the new investigations hadn't shown the cause of damage, so AXA was entitled not to take any further steps with the claim. Mr P disagreed, so the complaint has been passed to me.

## 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.

- Given the circumstances I've outlined, the scope of this decision will be the way AXA handled the claim, between AXA's complaint response in March 2024 and its response to Mr P's latest investigations in April 2024, including its decision not to take any further steps with the claim. Matters outside this scope won't be considered. I can't reconsider anything already considered by this Service, which means I can only consider how AXA responded to the two investigations Mr P provided recently. So that's what I'll focus on. But, before that, I'll recap what AXA has covered.
- Long before the scope of this complaint, AXA had accepted some damage was covered by the policy. It stripped out some of the basement following water ingress and offered to pay cash for Mr P to reinstate it. If Mr P has a complaint about this, not already considered, he's entitled to get in touch with AXA about it.
- From what Mr P has said, I understand he thinks the cover under the policy means AXA should be taking a number of further steps with the claim, such as:
  - Repair to any further water damage in his building
  - Repair to any damage to his building caused by the sinkhole
  - Trace and access to fully establish the source(s) of water
  - Support to have the sinkhole put right by others
  - Support to have the culvert and other drainage put right by others
- In a nutshell, this complaint has arisen because AXA hasn't agreed to take any further steps with the claim after receiving the two recent investigations. It doesn't think they show it's liable for any of the further steps I listed above.
- I'll set out the relevant policy cover and then go on to consider the investigations.
- The policy covers damage caused to the building and drainage system in a number of specific ways only. That includes:
  - *Accidental damage to ... underground drains, pipes or tanks providing service to or from the home and for which you are responsible.*
  - *Up to £5,000 for necessary and reasonable costs that Mr P incurs in tracing and accessing the source of the damage to the home.*
  - *Accidental damage or loss to the buildings.*
  - *Loss or damage to the buildings resulting from flood.*
  - *Loss or damage to the buildings resulting from sudden and unexpected water leaking from ... drainage.*
  - All subject to a number of terms and conditions, including specific definitions of some of the words.
- The onus is on Mr P to show some or all of the damage was caused in at least one of these ways in order for AXA to provide cover. Or, if he showed there was a reasonable chance some or all of the damage may have been caused in at least one of these ways, it may be fair for AXA to take further steps, such as investigate the matter further. I wouldn't usually expect AXA to take any further claim steps unless or until Mr P had shown these kind of things – because the policy doesn't cover it.

- Whilst Mr P has suggested the policy should cover everything that's happened, that isn't so. AXA's policy isn't unusual, most home insurance policies have similar cover.
- L's drainage survey has been presented as a series of images from video footage only. There's no accompanying report or comments from L to set out a professional opinion about what the images show or what impact they might have on the claim.
- It's not the role of this Service to act as surveyors, engineers, or similar, and diagnose the cause of damage – or to take our own advice from such professionals. We consider independent professional opinions provided by the parties. Mr P has given his own opinions and I understand he has relevant professional experience to support them. With respect, his opinion in this matter can't be independent, so I'm not persuaded it would be fair for me to rely upon it. But even if I did rely on it, I'm not persuaded it would make a difference.
- I understand Mr P isn't expecting AXA to cover any culvert or other drainage damage, as he's not responsible for the culvert or drainage. And he says there's no problem with the drainage he's responsible for. So, even if I accepted that the images show a problem within the culvert, they don't establish whether that's led to damage that might be covered by the policy. For example, they don't show that a culvert problem has caused a water leak which has gone on to damage his property.
- So, for the reasons above, I'm not satisfied L's drainage survey means AXA should take further action.
- H's engineer report was written following an inspection of the property and is primarily focused on the sinkhole. It said a bore hole had been driven through the culvert, which had caused a significant water leak into the surrounding subsoil. And, as a result, had likely caused the sinkhole to form. I don't think that's in dispute and I have no reason to question H's independent professional opinion. However, for the policy to provide any cover, there needs to be damage in one of the ways set out above – and that mostly means damage to the building. A sinkhole in a neighbour's garden doesn't necessarily mean AXA has any obligation to take any action.
- H described damage to Mr P's property, but it didn't say it had been caused by a water leak and/or sinkhole. H was clear in their view that the sinkhole was likely to expand further without remedial action – and this could potentially cause damage to Mr P's property. Without any damage to Mr P's property, the policy doesn't provide cover. And I understand AXA's policy expired several years ago. So even if damage were imminent and there was an argument that action should be taken now to prevent it, I don't think it would be fair to expect AXA to take that action.
- As a result, I'm not satisfied H's engineer report means AXA should take further action. And that means neither report has persuaded me that AXA should do anything further in relation to the claim. It follows I consider AXA acted in line with the policy terms, and fairly and reasonably, so I don't uphold this complaint.
- Mr P is entitled to take further advice and share it with AXA. If it does so, I'd expect AXA to consider it and let him know if it makes any difference to the claim position.

### **My final decision**

I don't uphold this complaint.

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

James Neville  
**Ombudsman**