

The complaint

Mr D has complained about the service received from AXA Insurance UK Plc ('AXA') following Mr D's claim under his home insurance policy regarding a water leak. For the avoidance of doubt, the term 'AXA' also includes reference to its agents, surveyors and contractors in this decision.

What happened

Mr L returned home from holiday in May 2023 to discover a leak and water damage at his home. He contacted AXA for assistance under his policy. AXA was the underwriter for Mr L's home insurance at the relevant time and a third-party company was the underwriter for Mr L's home emergency insurance. AXA sent its surveyor to Mr L's property the next day, and he looked at the leak but confirmed that AXA couldn't help with trace and access and that it was a matter for the third-party underwriter. The surveyor did however scope the work for repairs which would be needed.

Mr L then contacted the third-party underwriter and it eventually arranged for someone to attend Mr L's home, however it told Mr L that he should arrange for his own contractor to arrange the trace and access and then to claim for reimbursement of the cost on his home insurance. Mr L was unhappy about the way his claim was handled in general. He felt that he wasn't given clear guidance on what was covered, and as to which organisation was responsible for covering which elements. He thought that this led to delays in the leak being fixed and in repairs being carried out, and that this led to further water damage to his home. Mr L therefore complained to AXA.

AXA acknowledged that its decision to send out an agent initially had been wrong, however it said that the correct advice was given by its surveyor on the day after Mr L's call. It offered Mr L £25 in compensation for not telling Mr L straight away that its agent wasn't going to carry out a 'trace and access' service. It said that it had no subsequent contact from Mr L to say that further damage had occurred following the surveyor's visit.

Mr L didn't think that this was an adequate response and he complained to this service. An investigator initially recommended that AXA pay Mr L a further £225 in compensation, bringing the total compensation to £250. Following further submissions being received from AXA, a second investigator didn't think that AXA had acted unfairly or unreasonably in the handling of this matter. She thought that AXA had done enough by offering to review the trace and access costs and to reimburse the £200 paid by Mr L following the original inspection. She said that there was no evidence that AXA was re-contacted by either Mr L or the home emergency provider following the original call.

Mr L was dissatisfied with the outcome of his complaint. The matter has therefore been referred to me to make a final decision in my role as Ombudsman. In April 2024, I issued a provisional decision for this complaint and explained why I was minded to uphold Mr L's complaint as follows; -

'The issue for me to determine is whether AXA acted in a fair and reasonable manner in the handling of Mr L's claim. It acknowledged that it had initially sent out a contractor in error and

the issue is therefore whether the compensation offered was fair and reasonable. I've provisionally concluded that AXA didn't act in a fair and reasonable manner in all respects, and I'll explain why.

In reaching this decision, I also considered the submissions of the parties as summarised below. Turning firstly to what Mr L said about the matter, Mr L said that AXA promised that it would send someone out to sort out the leak, and a contractor arrived the next day. Mr L assumed he was performing trace and access as he had a water detector device and thought the leak was from the shower. He costed up the repairs and then suggested that Mr L call a plumber under his home emergency insurance to cap off the shower. He explained that his company would normally be called out once the leak had been diagnosed and fixed.

Mr L took the advice and immediately phoned his third-party home emergency insurer. This insurer sent its contractor who carried out an unsuccessful repair. A few days later, Mr L noted that there was still an issue, and another contractor was sent and said he would cap off the shower. He refused to go through tiling on the shower, although offered a different option with which Mr L disagreed. The contractor said that he would have to get instructions and he left. Mr L then had to turn off the water to his home and he heard nothing further.

After another few days, Mr L saw new wet patches appearing in certain areas of his home. He again phoned the third-party insurer, however it said that it didn't carry out trace and access work or cap off showers, despite the plumber's indication that he would do so. The third-party insurer then contacted AXA and it advised Mr L to employ a plumber to do the trace and access, which he could then claim back via AXA. Mr L's plumber subsequently carried out the necessary trace and access work by removing tiles and managed to resolve the leak, his total charge being just under £120. The plumber didn't remove the resulting debris and Mr L incurred a further cost in this respect.

Mr L said that the cost of damage wasn't correctly assessed by AXA's agent at the outset, as further damage occurred, and he hadn't looked at the damage in all areas. He said the leak was still active at the time due to the delays and confusion caused regarding trace and access. Mr L was told that AXA would contact him to advise how to claim the costs of the plumber he'd instructed, but said he'd received no contact from AXA. He was looking to receive compensation due to the distress caused in having to keep turning off his water for a long time and in trying to get the issue resolved.

He said the following as regards AXA; 'What they should have advised me to do was to appoint a plumber to perform trace and access to stop the leak then...claim the costs for this task to the insurer, then the insurer should have allowed some time for the damage to dry... then sent out [the surveyor] out to assess the damage. Because the insurer went about this the wrong way they caused the prolonged delays in getting the situation rectified.' In summary, Mr L thought that AXA had been responsible for further damage. Mr L said he hadn't claimed on his home insurance for over 20 years and had expected better help, guidance, and communication.

I now turn to AXA's submissions regarding this matter. It explained that it had appointed an agent to validate the claim and confirmed that on the initial telephone call with Mr L, it hadn't discussed how to get the leak repaired or about his trace and access cover and sent a surveyor. It acknowledged that this was not the advice it would expect and that the visit was premature. It noted however that the surveyor attended the day after the claim was made and had clarified issues around arranging leak repair. It said that it didn't appear that trace and access would be required, as there was some further grouting maintenance work to be completed to the shower.

AXA said that its notes showed that the home emergency agents hadn't contacted it as

suggested by Mr L, and it denied having advised Mr L to source his own plumber and claim trace and access costs from AXA. However, it agreed that it could usually consider trace and access costs. It said that when Mr L did then call in July 2023, he didn't mention that he had trace and access costs, and only said he was unhappy about what AXA had told him at the outset. It said he; 'didn't mention any additional damage or suggest the settlement previously issued was insufficient.' AXA said that the first time this was mentioned was in the complaint to this service.

Nevertheless, AXA accepted that there had been a service failure and offered £25 in compensation for the distress and inconvenience caused by this failure. As to the delay in its complaint response, it offered a further £25 as a goodwill gesture. AXA said that a settlement of £200 was then subsequently offered for the repair of the damage noted on site. This took into account the excess amount of £500 which was payable by Mr L. AXA said that Mr L could now submit his trace and access costs for it to consider as part of the claim. Also; 'if he feels the settlement of £200 for repairs is insufficient, he should let us know if he has paid more or has quotes for more so we can consider this.' It also said that if he had neither, it would ask its surveyor to re-attend his home.

The starting point in determining complaints of this nature will be the wording of the policy documents. In this case, AXA appears to have accepted that an insured event occurred, being a sudden and unexpected water leak from a fixed domestic water installation. It also appears to accept that it would cover the cost of tracing and accessing the source of the damage in the home, including certain reinstatement work.

As AXA has agreed to pay the trace and access costs and also to instruct its surveyor to re-attend in the above circumstances, I provisionally conclude as follows. Mr L has said that he has already forwarded to AXA the relevant invoice for trace and access costs. He has also confirmed that he had asked AXA to send a loss adjuster to come to the house with regards to assessing the additional damage caused in the other rooms. These actions should therefore be promptly progressed by AXA.

On a provisional basis, I also consider that AXA should also increase the compensation paid to £250 in total. I can understand Mr L's frustration, as he'd initially telephoned AXA, thinking it would help to sort out the leak and damage caused under his home insurance policy. Whilst confusion and delay can sometimes be caused where there is different cover for a home emergency and for damage to the home, AXA had the first opportunity to clearly explain the position for the policyholder. Instead, by sending its surveyor to Mr L's home the following day, this raised Mr L's expectations that the problem would be promptly sorted. Instead I consider that the visit would have increased the distress caused.

I therefore provisionally conclude that the lack of initial explanation of the process by AXA and the fact that it sent out its surveyor prematurely in error caused distress and inconvenience. As the surveyor again incorrectly went ahead to assess damage that, unfortunately, was on-going this would no doubt also have increased the level of frustration felt by Mr L. He understandably felt that he was being passed from one organisation to the other and that this caused delays.

I appreciate that Mr L experienced difficulties in relation to the third-party insurer in conjunction with AXA. I also appreciate that the confusion caused by AXA's initial error was time limited. Nevertheless, I consider that AXA could have been far more proactive in contacting Mr L to resolve its errors. I consider that it should immediately have advised Mr L to engage a plumber to carry out trace and access work. It should also have asked for Mr L's trace and access invoice much sooner, and also acknowledged that the surveyor's initial assessment wouldn't necessarily be the final version.

Whilst I haven't received a recording of the initial telephone call, or of calls between the insurers, the third-party insurers' case-notes are clear in the following respect. They indicate that they'd called AXA. The notes record that AXA said it had already offered payment for reinstatement and considered the claim is settled. They also record that AXA had advised that Mr L needed to get the trace and access done and to claim the relevant amount back, as it wouldn't send a plumber out. The notes indicate a specific time after which AXA would call Mr L to advise this.

In the circumstances, and on a provisional basis, I consider that AXA hasn't done enough to assist Mr L in what was clearly a frustrating and long outstanding matter. As such, I don't consider that compensation of £25 adequately compensates Mr L for the distress and inconvenience caused by AXA's service failures. I consider that AXA should now pay a total amount of £250 in compensation. If £25 has already been paid to Mr L, then this should be deducted from the total amount payable'.

In my provisional decision, I asked both AXA and Mr L if they had any further comments or evidence that they would like me to consider before I made a final 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.

Neither AXA nor Mr L have provided any further comments or evidence in response to the provisional decision. In all the circumstances, and having again considered the available evidence, I conclude that the provisional decision provides a fair and reasonable outcome to Mr L's complaint.

My final decision

For the reasons given above, I uphold Mr L's complaint and require AXA Insurance UK Plc to do the following in response to his complaint:

- Reimburse Mr L the cost of trace and access within 28 days of acceptance of the final decision, and subject to production by Mr L of evidence of the date on which he paid for the relevant work.
- To pay interest on the above sum calculated from the date Mr L paid for trace and access to the date of settlement, at 8% a year simple interest*.
- To instruct its agent to attend Mr L's home and to report and assess within 28 days of acceptance of the final decision, any damage caused due to the claim incident which is additional to the damage originally assessed by AXA.
- To pay compensation of £250 in total for the distress and inconvenience caused (less £25 if this has already been paid to Mr L).

*If AXA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr L how much it's taken off. It should also give Mr L a certificate showing this if he asks for one, so that he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 June 2024.

Claire Jones
Ombudsman