

The complaint

Ms A complains that AXA Insurance UK Plc has unfairly refused to cover the cost of mould removal following a claim for escape of water under her buildings insurance policy.

Where I refer to AXA, this includes the actions of its agents and claims handlers for which it takes responsibility.

Ms A is represented by a loss assessor, but for ease of reading, I'll refer to all submissions as being made by her directly.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

In February 2023, Ms A's property suffered water damage as a result of a leak in the flat above. She made a claim under her buildings insurance policy. AXA accepted the claim.

Ms A informed AXA that mould had appeared in her property which was causing her health problems and she'd been prescribed medication. As no action was taken, Ms A arranged for the mould to be removed at her own cost and requested that AXA reimburse her.

AXA arranged a visit to the property, which confirmed there was a small amount of mould on a picture frame but nothing more. So AXA refused to cover the costs.

Ms A didn't think this was fair as the inspection took place after she'd paid to have the mould removed. She raised a complaint about this decision, as well as delays in progressing her claim and AXA's refusal to provide her with the inspection reports. As AXA didn't uphold it, she brought her complaint to our service.

Our Investigator was satisfied Ms A had proven there was mould in her property, so he recommended that AXA reimburse the costs of its removal. He also recommended compensation of £450 for the delays and the release of the inspection report relating to the mould.

As AXA didn't agree, the complaint was passed to me to decide. And I issued the following provisional decision.

My provisional decision

I agree with our Investigator that the complaint should be upheld but I intend to award a different remedy to put things right. I'll explain why.

It's not in dispute that Ms A's claim for escape of water is covered by the terms and conditions of her policy. As such, any associated damage arising from the insured peril should be rectified to put Ms A's property back in the position it was in prior to the loss.

Ms A has provided photos of the mould as well as an inspection report dated 6 April 2023 from an independent company qualified in mould remediation. The report says:

"The inspection revealed extensive mould growth both viable and non-viable throughout the property. The client has suffered reaction to mould including respiratory issues and is on medication.

There is damage to ceiling and walls which require full strip-out under controlled conditions following mould removal protocol in accordance with HSE standards.

Moisture survey records the specific humidity which provides an indication as to the likelihood of mould growth or bacterial activity that could create secondary damage or health concerns for the occupants. Even where no visible mould colonies are identified on the surface of materials, hidden mould may exist in void spaces or wall cavities and invasive measures may be required to determine the presence or otherwise of potential bio-hazards.

Minor Strip out has been undertaken and we have treated all the visible/accessible mould to prevent excessive spore proliferation.

The indoor air quality is also an issue with concerns PM2.5 (fine dust) and PM 10 (mould spores/hyphal fragments). Befogging will be required after all the materials have been removed and disposed safely in accordance with HSE standards."

AXA arranged an inspection of the property for 11 May 2023, despite Ms A informing it that the works will be completed by that time. The inspection report from this visit says:

"I was also notified that the occupants suffer with side effects from mould growth which was occurring in the corner of the room and this needed cleaning. The only microbial growth visible was to a small piece of artwork which was hanging on the affected wall. I did offer to treat this before leaving the property but the occupants advised that I didn't need to."

The report goes on to identify elevated moisture readings and recommends decontamination and drying works.

AXA concluded that there was no mould to the property. But on the basis of the evidence above, I don't agree. I'm satisfied Ms A has provided sufficient evidence that mould was present and had an inspection been arranged quicker, AXA would've seen it for itself.

As such, I intend to direct AXA to pay Ms A the cost of the mould removal works – which I understand amounted to £1,185.32 – plus 8% simple interest from the date Ms A paid it until the date she is reimbursed.

Ms A has requested copies of the inspection reports obtained by AXA. I see no reason why she can't have sight of the reports relating to her property specifically, so without any reasonable explanation as to why not, I intend to direct AXA to release these reports.

Ms A also complains about the delays in progressing her claim. I understand the claim was made in mid-February 2023, and a settlement was agreed in early-June 2023 – under four months later. I don't think this is an unreasonable amount of time. But I think AXA should've

attended to assess the mould much sooner, especially given it was informed about the impact this was having to Ms A's health. As such, I intend to award £75 compensation for the distress and inconvenience this would've caused.

Responses to my provisional decision

Ms A accepted my provisional decision.

AXA didn't respond.

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.

As neither party had any further submissions for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

My final decision

For the reasons I've explained, I uphold this complaint and direct AXA Insurance UK Plc to:

- Pay Ms A the cost of the mould removal works – which I understand amounted to £1,185.32 – plus 8% simple interest from the date Ms A paid it until the date she is reimbursed.
- Provide Ms A with copies of all inspection reports relating to her property specifically, in relation to this claim.
- Pay Ms A compensation of £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 27 August 2024.

Sheryl Sibley
Ombudsman