

The complaint

Mr J complains that AXA Insurance UK Plc (AXA) recorded a declined claim on his home insurance policy.

What happened

Mr J held a home insurance policy with AXA. He noticed water ingress in his bedroom following a storm in November 2023. He commissioned a drone survey in March 2024 which appeared to show damage to his next-door neighbour's roof that was causing the water ingress.

Mr J says he tried to contact AXA for advice over the phone but couldn't get through. So, he logged this via the website in April 2024. He said the website didn't give him the option to log the water ingress as an incident, only as a claim. Mr J says he submitted the incident as a claim as it was the only option, but later tried to explain the situation to AXA via email. AXA then acknowledged Mr J's claim and arranged for an assessor to look at what was causing the water ingress. Mr J says he agreed to this in order to progress the incident. The assessor inspected the roof but said there was no damage to Mr J's roof.

Mr J says the assessor missed the damage he identified on the neighbour's roof as part of their inspection, and he raised this to AXA. But their assessor attributed this to wear and tear and AXA ultimately declined the claim as they said there was no storm conditions which had caused damage. Mr J complained to AXA, who agreed there had been some communication issues and made an award of £75 compensation – but they didn't change their outcome.

Unhappy with AXA's response, Mr J brought the complaint to this Service. He said he never wanted to make claim, he just wanted to speak to someone at AXA for advice on next steps. An Investigator looked into what had happened but didn't recommend the complaint be upheld. She thought AXA had acted reasonably in proceeding through their claim's process based on the information Mr J had given them about what happened. And she thought it was fair for AXA to record the claim on the Claims and Underwriting Exchange (CUE) database. She also thought AXA's offer of £75 compensation for delays and a lack of communication was fair, so she didn't think they needed to increase this.

Mr J disagreed with the Investigator's findings – he said it was unfair he had a declined claim on his insurance history he would now have to disclose when he hadn't wanted to make a claim in the first place. He asked for an Ombudsman to consider the complaint – so it's been passed to me to decide.

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've decided not to uphold this complaint - I'll explain why.

Mr J says his complaint isn't focused on AXA's decline of the claim. Instead, he's unhappy a claim was raised at all when he says he only contacted AXA for advice on how to proceed.

And he says it's therefore unfair for AXA to record a declined claim on his insurance policy for damage to his neighbour's property.

My role is to reach a decision on the specific complaint at hand that I consider to be fair and reasonable in all the circumstances. So, I've focused my decision on whether it's fair and reasonable for AXA to record the declined claim – not whether they declined the claim itself. This essentially comes down to two questions; whether Mr J had a loss; and whether he knew, or ought reasonably to have known he was making a claim for that loss.

Mr J says he first noticed water ingress following a storm in November 2023. And he says he monitored water damage to his bedroom wall and ceiling for a period of months before he had a surveyor come out and carry out a drone survey in March 2024. This survey identified the mortar on his neighbour's roof had become damaged and this was the likely cause of the water ingress. So, on the first question, I'm satisfied Mr J had a loss caused by damage to his property.

In respect of the second question, Mr J says he contacted AXA for advice before proceeding with a claim, so I've considered the notification Mr J made online. He explains that, following a storm in the night, he noticed water ingress which had caused damp in his bedroom. He also said that his neighbours were *"showing little interest as they do not have any leaks and are being difficult"*.

I've also reviewed the calls and emails between Mr J and AXA and taken on board Mr J's comments around how he explained the situation when discussing the loss with them. I can see he emailed AXA in response to their "claim notification" email and he asked whether they were treating his notification as a "claim". I note his email also says *"the neighbours are refusing to get involved stating that as they have no leaks or problems within their house they do not have to do anything about it. This will require handling as we go along."*

Mr J says he didn't receive a reply to his query, and around a week later he submitted photos of the damage as well as estimates he had taken out through contractors. Mr J says he was then contacted by phone and told an assessor would come out to inspect the damage. Mr J says he ultimately agreed to have an assessor come out in order to progress things.

I do appreciate Mr J sought to clarify whether AXA were treating the incident as a claim, but I'm ultimately satisfied that Mr J submitting details of damage to his property and explaining what the likely cause of that damage was led AXA to reasonably conclude Mr J wanted to make a claim under his policy. He also confirms that (the situation with the damage being to his neighbour's property) *"...will require handling as we go along."* Which indicates to me that he was happy to proceed with taking further steps to fix the damage caused.

Mr J also could have told AXA to cancel the assessor attending his property when he spoke to them on the phone if he didn't want to make any claim. Instead, he agreed for the assessor to come and inspect the damage, which on balance I find was likely because he wanted to know if the damage could be covered under his policy.

I also note Mr J says he thought AXA would be responsible for repairing his property and could then approach his neighbours to have them compensate AXA for any claim that had been paid. This is sometimes referred to as "subrogation" – which would allow AXA to pursue Mr J's neighbour for any damage they had paid for. But this course of action would require AXA to pay a claim under Mr J's policy in the first instance.

So, while I do take on board Mr J's frustrations over the assessor who was sent out, and I can see AXA has agreed there were some service level failures, which they paid

compensation for, I'm ultimately persuaded Mr J intended to make a claim for the damage caused by the water ingress and that this is evidenced by Mr J's actions in progressing the claim.

I also find, on balance, it's more likely than not Mr J would have been content to have the claim recorded on his policy had AXA agreed to repair the damage to his bedroom caused by the water ingress. So, I'm not persuaded it would be fair or reasonable of me to require AXA to remove this claim from Mr J's insurance records. I understand Mr J is unhappy he now has to disclose a claim to future insurers. But if it's any consolation, Mr J would be required to notify AXA of any damage to his property in any event, so there would always be a record of this.

I'm know Mr J has raised several questions in response to the Investigator's outcome which he's asked for answers to. I've considered them as part of my review of the complaint, but I don't consider these to be relevant to the decision I've reached. This is because the crux of this complaint is whether it's fair for AXA to record the claim.

In respect of Mr J's other main complaint points, I do recognise there were some issues around communication, delayed responses, and call times that AXA has offered £75 compensation for to make up for any distress caused. A compensation award isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on their customer in a particular complaint. Having looked at everything that's happened, I find the £75 offered is a fair sum of compensation which reflects the impact AXA's actions had on Mr J. And as it's been paid directly to Mr J already, I won't be directing them to increase this.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 January 2025.

Stephen Howard
Ombudsman