

The complaint

Miss M is unhappy with the service provided by AXA Insurance plc (AXA) following a claim made on her home insurance policy.

AXA is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. AXA has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to AXA includes the actions of any third party instructed by AXA during the course of Miss M's claim.

What happened

In October 2018 Miss M contacted AXA to make a claim. The site visit notes recorded *'Over 180 homes were hit by flooding. Over 100mm of rain fell in the locality over a 2 day period. This particular property was flooded by [a brook] which is located approx 59m from the risk address'*.

Miss M's claim was accepted. AXA instructed a third party, A, to deal with the management of Miss M's claim. Remedial works were completed around June 2019. Shortly after remedial works were completed, Miss M contacted A saying that there was visible signs of damp coming through the wallpaper. A didn't take any further action to inspect the damage or provide findings on whether it was incident related.

In March 2023 Miss M contacted A again explaining about further issues she'd had with the damp problem worsening and causing damage to her home. Miss M arranged for an independent surveyor, hereafter referred to as D, to complete a survey of the damp issue. The result of D's survey found *'At the time of inspection evidence of rising Damp was found to all ground floor walls, the plasterwork is damp and displayed very high moisture readings, this is down to the property being flooded. The plasterwork is contaminated with ground salts which have made their way up through the capillaries in the brick/stone mortar. Post flooding all ground floor plaster should have been removed to allow a drying out period, this is basic procedure was not carried out, therefore the walls remain damp. There is a dry rot outbreak in the hallway, the skirting board is rotten.'*

Miss M referred D's report to A for comment. Miss M and A exchanged some emails about the contents of D's report. But Miss M's concerns remained unresolved as A said the damage wasn't related to an insured event and so wouldn't be covered. Miss M didn't hear anything further from A and so referred her complaint to AXA. As Miss M didn't hear from AXA, she referred her complaint to this Service.

Miss M complained about the service provided by AXA - mainly relating to the lack of response from A and the decision not to pay anything further for the damage highlighted by D's report. The Investigator considered the evidence and said AXA must do more to put things right. The Investigator said AXA should re-assess the damage and accept further damage under the previous claim, pay £750 compensation for the distress and inconvenience caused, and refund the cost of the report completed by D, including 8% simple interest on any amount until this is paid.

AXA didn't agree with the Investigator's findings. As the complaint couldn't be resolved it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Claim settlement

Despite Miss M raising concerns about damp presenting itself only three months after remediation work was completed, A failed to reasonably deal with these concerns. We'd expect any repairs carried out by a business to be lasting and effective. Given the severity of concerns being raised so soon after remedial work had been carried out, I would've expected AXA to have discussed this with Miss M, and confirmed whether any additional repairs were required, and if not, provided persuasive evidence to support a decline decision. AXA's failure to do this, amounts to poor service.

AXA say Miss M didn't initiate any further contact until 2023. But given she had attempted to raise concerns immediately after noticing the damp, and these concerns weren't reasonably responded to, I don't think it would be fair to hold Miss M responsible for failing to act in good time. The real issue is, as the business responsible for managing Miss M's claim, AXA's failure to have investigated Miss M's concerns properly at the time she raised them in 2019.

I've seen that even after Miss M raised concerns with the support of D's report, in 2023, A didn't do enough to consider the impact of the damp in Miss M's home. There are emails suggesting a site visit by A, but no report or survey was prepared by A to strongly dispute the findings in D's report. I can't see that AXA took steps to fully investigate the issues raised in D's report, or engage with D directly about the comments made in respect of the cause of the damp, and remedial steps required.

I have seen Miss M was told in May 2023 that A disagreed '*with the approach proposed by [D] in respect of a default hacking off of plaster*'. But I can't see that this was followed up with any persuasive evidence or action to support A's position. I've seen A continued to advise AXA that '*We maintain the view the issues in the house are in inherent defects*' but there isn't any evidence to support A's position. As a result of the inaction on the claim in 2023, Miss M's concerns were left answered, and the issue with the damp in her home remained unresolved. I've considered the impact of this when determining what fair and reasonable compensation should look like as part of my findings on compensation.

I've seen Miss M subsequently escalated her concerns to AXA directly. And soon after referred her complaint to this Service. In response to the Investigator's findings AXA has provided extensive comments explaining its position on the claim. I've focused my decision on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

AXA say the repairs completed were in line with an industry standard approach, and '*hacking off of plaster*' wouldn't have been part of this at the time. I've carefully considered these comments. It's not the role of this Service to say what remedial work should've been completed at the time. That's the role of the experts instructed on the claim. But we would expect a business to provide compelling evidence in support of decisions taken on a claim-

particularly where there is conflicting evidence. AXA had the opportunity to investigate Miss M's concerns in a timely way, both when these were first raised, and during subsequent communications from Miss M. But it didn't do this.

AXA says the cause of the damp likely links back to '*inherent defects*.' Whilst I appreciate this is AXA's current position, I haven't seen any compelling evidence to support this. The evidence that has been presented to explain the damp after thorough inspection and interrogation of the issue, is from D. And this evidence has found the cause of the damp as '*down to the property being flooded*.' Despite the time that has passed, I haven't seen any persuasive evidence contradicting this, specifically in reference to AXA's position of the damage being caused by '*inherent defects*'.

In the circumstances it is fair and reasonable for AXA to settle Miss M's claim in line with the remaining terms and conditions of the policy. As this is work that should've been dealt with as part of Miss M's claim in October 2018, the claim should be treated as being dealt with under the same incident.

Miss M incurred the cost of commissioning her own report from D to determine the cause of the damp. AXA must reimburse the cost of this report, plus 8% simple interest per year calculated from the date Miss M incurred this cost, to the date she's reimbursed.

Trouble and upset compensation

The investigator recommended AXA pay Miss M £750 in compensation for the impact on Miss M as a result of the poor handling of her claim. AXA didn't respond to this part of the investigator's findings. Having considered the claim, I'm persuaded £750 is a fair and reasonable amount, and in line with what this service would direct in the circumstances.

This amount recognises the time and effort given by Miss M in contacting AXA about the issues, and her communications not being responded to in a timely way. Despite Miss M's insistence, AXA's own appointed loss adjuster had very little oversight over the claim after Miss M raised serious concerns about the repairs, and didn't make timely decisions when needed.

Because of this, the claim suffered from delay and poor management. This in turn caused Miss M stress and inconvenience as she had to take on the job of instructing her own surveyor without any support or guidance from AXA. As the business responsible for managing Miss M's claim, AXA should have done more to support Miss M, and stayed engaged with the claim. I can't see that it did this.

Miss M has had to live in her home with the problem worsening. I'm persuaded the damp conditions have impacted Miss M's enjoyment of her home, and living space. I think it's fair therefore for AXA to pay compensation in recognition of the impact on Miss M and the upset caused to her over an extended period.

Putting things right

For the reasons set out above, I uphold this complaint. AXA Insurance Limited is directed to settle the complaint as follows:

1. Settle Miss M's claim for the damage caused by damp in line with the terms and conditions of Miss M's policy;
2. Pay for the cost of D's report, and pay 8% simple interest* per year calculated from the date Miss M incurred this cost, to the date of payment; and

3. Pay Miss M £750;

*If AXA Insurance plc considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss M how much it has taken off. It should also give Miss M a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reason explained I uphold this complaint. AXA Insurance plc is directed to settle Miss M's complaint as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 January 2025.

Neeta Karelia
Ombudsman