

## **The complaint**

The estate of Mrs R complains that AXA Insurance UK Plc (“AXA”) declined to assist with a claim. The complaint is brought by Mrs F and Mr R, executors of the estate of Mrs R.

## **What happened**

The late Mrs R had home insurance underwritten by AXA, inception in April 2023. She sold the property in September 2023. In November 2023, the new owners of the house found long-term water damage, so they asked Mrs R’s daughter to approach AXA about a claim.

To begin with, AXA agreed to investigate. However, once it became apparent Mrs R no longer had a financial interest in the house, AXA told her daughter it wouldn’t progress a claim. AXA advised that the new owners would need to approach their own insurer. It also said if the new owners’ insurer identified liability for damage before inception of their policy, it would seek recovery from AXA against Mrs R’s policy.

A few months later, Mrs R’s daughter complained to AXA because it wouldn’t deal with the claim. AXA issued a final response explaining that a policy holder would not be able to complete a claim for a property they no longer lived in, so it didn’t uphold the complaint.

Unhappy with the response Mrs R’s daughter brought the complaint to us. Sadly, Mrs R passed away during this time. One of the executors, Mrs F, took over the complaint on behalf of the estate of Mrs R.

Our investigator said that the policy Mrs R had provided cover for an escape of water. But the damage was thought to be long-term, which meant it could’ve been happening over two or more policy terms, including that of the new owners. Our investigator thought AXA had advised correctly that a claim should be raised by the new owners with their insurer. Therefore, she didn’t uphold the complaint.

Mrs F shared the investigator’s view with the new owners who disagreed with the outcome. Mrs F provided a copy of their comments but our investigator explained that we couldn’t consider the new owners’ evidence. Mrs F remained unhappy, so the complaint was 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 the complaint for the same reasons set out by our investigator. I realise this may be disappointing, but I haven’t seen anything in the evidence to persuade me that AXA has done anything wrong. I’ll explain.

The relevant regulator’s rules say that insurers must handle claims promptly and fairly. And that they mustn’t turn down claims unreasonably. Further, the regulator’s principles say that firms must act in the best interests of their customers and treat them fairly.

My role is to decide, based on the available evidence, whether AXA's response to the claim was in line with the policy, the regulator's rules, and fair in the circumstances.

AXA declined to assist with the claim because it could only consider a claim from a policyholder with a financial interest in the property. Because the damage was thought to be long-term, Mrs F said that the policy should provide cover.

The policy sets out the detail of the contract between a policyholder and an insurer. I've looked at the policy wording, which states cover is available for:

*B. The period between exchange of contracts and completion for the sale and purchase of the home shown on your Schedule of Insurance.*

*ii) If you contract to sell the buildings, the purchaser will be entitled to the benefit of the cover provided by section 1 of this policy between exchange of contracts and completion of the sale provided that: A. The purchaser completes the purchase; B. The buildings are not otherwise insured.*

Therefore, it's clear to me that AXA's liability in respect of this policy ended once the house sale completed.

AXA explained to Mrs F how the new owners could make a claim under their own insurance, and the process should it become apparent that damage started during Mrs R's policy term. AXA's response reflects industry practice and what I'd expect in these circumstances.

As this was not a claim for the benefit of the estate of Mrs R, I can't see that there was anything more AXA could do. Therefore, I'm satisfied that AXA declined to assist with the claim in line with the policy and acted fairly and reasonably in the circumstances.

I realise my explanation here is brief, but the key issues of dispute are those of the new owners, and it's not within my remit to consider their concerns under the complaint brought by the estate of Mrs R.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs R to accept or reject my decision before 24 February 2025.

Debra Vaughan

**Ombudsman**