

## **The complaint**

Mr S has complained that AXIS Specialty Europe SE unfairly declined a claim under his landlord property insurance policy for trace and access costs.

For the avoidance of doubt, references to “AXIS” include its representatives and agents.

## **What happened**

Mr S owns a house which he lets out. The water company told the tenants that the mains water pipe was leaking. There was a shared water supply with two other properties. Mr S contacted the water company and was told it would be about a month before they could come and try to find the leak.

Mr S didn't want to wait that long as he was concerned about a damp patch on a wall which had no obvious cause. He thought the damp might be caused by a leak under the floor.

He says he contacted AXIS who assured him that he was covered for tracing and accessing the leak but not fixing it. So he instructed someone to find the leak. The leak was traced to a tap in a neighbour's property. The water company confirmed that the damp in Mr S's property hadn't been caused by the leak.

Mr S made a claim to AXIS for his trace and access costs. AXIS declined the claim. It said it wasn't liable under the policy as no damage had been caused to Mr S's property by an insured peril. Mr S thought this was unfair as he'd been led to believe he would be covered for these costs.

Mr S referred his complaint to this service. Our Investigator didn't uphold it. She didn't think AXIS had treated Mr S unfairly. As Mr S didn't agree, the matter has been referred to me.

## **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.

Buildings insurance policies don't cover everything that can happen to a property. Mr S's policy is one that provides cover for insured events or perils listed in the policy such as fire and flooding. If damage to the property doesn't fall within one of the specific events listed, it isn't covered.

Given the perils covered by the policy, flooding is the only one that might be relevant to this claim. As the water company said the damage to Mr S's property hadn't been caused by the leak from next door and there is no evidence to the contrary, I don't think Mr S has shown that his property has been damaged by an insured peril.

Mr S's policy covers him for trace and access costs in certain circumstances. It says:

*“As a result of damage resulting from an insured peril we will pay the reasonable costs necessarily incurred by you for locating the source of any escape of water or oil from any fixed water tanks, apparatus, pipes or any fixed heating installation at the premises.”*

As there was no damage resulting from an insured peril, I think it was reasonable for AXIS to say Mr S’s trace and access costs weren’t covered by the policy.

Next I have looked at whether it’s fair to say that AXIS led Mr S to believe that his trace and access works would be covered by his policy before the work went ahead.

I’ve listened to the calls when Mr S told AXIS there might be a leak at his property and there was a damp patch which he thought might be connected to the leak. He was told that if there was damage to his property resulting from the leak, that damage could be considered as well as his trace and access costs. An insurer will always need to assess a claim properly after the cause of damage is known before a settlement decision is made. I can’t fairly say that AXIS provided any firm commitment to pay the claim at that stage or led him to believe that his trace and access costs would be covered in any event.

I’ve also seen an email in which AXIS encouraged Mr S to find the cause of the leak in order to mitigate his loss. At this point Mr S was assuming that a leak was damaging his property. So in that context I think it was reasonable for AXIS to say this. But this didn’t mean that AXIS would definitely accept liability for a claim if the damage turned out not to be covered by his policy.

I’m sorry to disappoint Mr S but I do not believe AXIS has treated him unfairly.

### **My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 13 May 2025.

Elizabeth Grant  
**Ombudsman**