

The complaint

Ms W complains about AXA Insurance UK Plc's decision to decline a claim under a home insurance policy.

Ms W has largely been represented by a friend in this complaint, but for ease of reference, I shall refer to anything they said on Ms W's behalf to have been said by Ms W. Similarly, at points, I've also referred to the actions of AXA's agents as being its own.

What happened

Ms W had a home insurance policy with AXA. In April 2024, she discovered a leak from a waste pipe under her bath after the bath panel was removed to install new taps. She made a claim with AXA.

AXA carried out a video call validation in April 2024 and following this, it paid Ms W £851.56 for repairs it considered were needed, based on a cost of £1,351.56, less the £500 policy excess.

Ms W obtained her own quotes for the required repairs, and they ranged from around £9,200 (and above). AXA asked for further details, including a breakdown of the quotes. This was provided in July 2024.

AXA arranged for a surveyor to inspect the property and damage in July 2024. Following this, in September 2024, it declined Ms W's claim. It said the damage was not caused by a one-off insured event. It also said there was faulty workmanship. But it agreed not to recover the payment it already made to Ms W.

Ms W complained to AXA. She was unhappy with the time AXA had taken to decide the claim and she didn't agree with its claim decision.

AXA issued a complaint response in October 2024. It maintained the leak had been ongoing for some time, so it wasn't covered under the policy. It said the leak was possibly linked to faulty workmanship from a claim in 2010 involving another insurer. It didn't agree it had caused unreasonable and avoidable delays in its handling.

Ms W referred her complaint to the Financial Ombudsman Service. She remained unhappy with AXA's claim decision and said AXA's actions had caused her stress, as her bathroom was in a state of disrepair. She wanted AXA to cover the cost of repairs caused by the leak.

The investigator didn't uphold the complaint. They agreed the leak was likely ongoing for some time. And they said the policy definition of escape of water (EOW) hadn't been met in the circumstances, so it was fair for AXA to decline further cover. They also said AXA didn't cause unreasonable delay.

Ms W disagreed. She said AXA requested unreasonable information, causing delays. She also said it couldn't be determined when the leak occurred, and the EOW definition in the terms was ambiguous and not made clear.

Because the complaint couldn't be resolved, 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.

I should first set out that I acknowledge I've summarised Ms W's complaint in a lot less detail than she has presented it. Ms W has raised a number of reasons about why she's unhappy with AXA. I've not commented on each and every point she's raised but, instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Ms W, however, that I have read and considered everything she's provided.

Ms W has also referenced case study material from our website. But we consider each complaint on its own merits, and this is what I've done on this complaint.

Terms

The terms of Ms W's policy say it covers loss or damage caused by "*Sudden and unexpected water leaking from...any...fixed domestic...drainage...installation*".

The terms also say the policy doesn't cover loss or damage "*caused by failure or lack of sealant and/or grout*".

Because there are no general exclusions for faulty workmanship, or any such exclusions under the EOW section, I agree with the investigator it's not fair for AXA to rely on this to decline cover.

That being said, I consider the onus is on Ms W to show the damage she claimed for, was caused by an insured peril, as defined under the policy terms, in order for AXA to provide cover. This means in order to find AXA unfairly declined the claim, I'd need to be satisfied the leak met the description of EOW as outlined above.

Did the leak meet the definition?

I can see from the initial claim notes (from April 2024) Ms W accepted the wood under the bath feels rotten. In addition, the surveyor, following attendance in July 2024, reported there was wet rot to the floor. I've also reviewed the pictures the surveyor took, and I consider they support the conclusion of significant rot. I've also not seen evidence to show something happened that would've caused the leak to occur suddenly, causing the damage.

In light of the above, I'm satisfied that the leak occurred gradually and not suddenly, and that it had been ongoing for some time, causing the damage. And on balance, I think it's more likely than not that the leak had been ongoing from before October 2023, when the policy with AXA started.

Ms W says the terms should be interpreted based on when a developing fault manifests by way of a breakdown. But on review of the terms, I think they make clear the requirement is that of a sudden leak causing the damage. And for the reasons outlined above, I'm not persuaded this was the case in the circumstances.

I accept Ms W was unaware of the leak and the damage, so I'm satisfied it would've been unexpected. But given that I'm satisfied the leak occurred gradually, had been ongoing for some time causing the damage, and likely from before October 2023, I think it's fair and

reasonable for AXA to insist the description of EOW, including the leak being 'sudden', is met in the circumstances, for there to be cover. And I don't consider it fair to preclude AXA from relying on the terms in the circumstances, on the basis Ms W was unaware of the leak and damage. It follows that I consider AXA acted fairly in declining cover under EOW.

This also means I consider AXA acted fairly in declining cover for any damage to the lounge and bedroom, that may have been caused by the leak.

On the lounge damage, AXA said any damage caused by defective seals would be excluded under the policy terms and I think this is fair. I've not seen any evidence to persuade me damage to the lounge was likely caused by any other insured peril, so I won't direct AXA to cover this.

On the bedroom damage, if Ms W feels the damage was caused by something other than the leak, AXA said she can raise a new claim separately. I think this is fair, so I won't direct AXA to do anything else.

Were the terms clear?

Ms W says the policy terms relating to EOW were ambiguous. I've reviewed the terms and I don't agree. I consider the relevant term, outlining the requirement of '*sudden and unexpected*' was worded sufficiently clearly.

I do agree that AXA could've done more to highlight the definition of EOW, given that it isn't a common definition applicable to all home insurance policies. But even if this had been highlighted sufficiently to Ms W, I'm not persuaded it would've affected her decision to purchase the policy in October 2023, as she'd likely have been unaware of any ongoing leak. So I don't consider AXA's failure to sufficiently highlight this term would've impacted on Ms W's decision to take out the cover, or on the outcome of her subsequent claim.

Delays

Ms W notified AXA of the claim in April 2024. After Ms W informed AXA the initial claim payment was going to be insufficient, AXA waited on quotes from Ms W, which I consider was fair. Ms W provided this in June 2024. Given the discrepancy between AXA's settlement and Ms W's quotes, AXA asked for further details, including a breakdown of the quotes. I consider this too was fair in the circumstances. Ms W then provided the information and further quotes in July 2024.

Because the breakdowns showed elements of work AXA didn't consider should be covered, AXA arranged an inspection by a surveyor in July 2024. I consider this was fair, and I consider this was arranged within a reasonable time by AXA. Ms W confirmed the surveyor communicated their conclusions to her at the time of their visit, so I think Ms W was likely aware of AXA's forthcoming decision to decline the claim.

In any case, after reviewing the surveyor's findings in full, AXA communicated its claim decision formally in September 2024. I consider this to be within a reasonable amount of time in the circumstances.

But, even if it were fair to say AXA could've reviewed things sooner, I'm conscious it has already paid Ms W £851.56, despite her not being entitled to any cover or payments under the terms of the policy. So in the circumstances, I don't think AXA needs to do anything else.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 9 June 2025.

Monjur Alam
Ombudsman