

The complaint

Ms H and Mr R are complaining about the way AXA Insurance UK Plc has handled a claim they made on their buildings insurance policy.

AXA has used a number of agents to act on its behalf throughout this claim. But for ease of reference I shall refer to anything they did or said as being done by AXA.

What happened

In August 2023 Ms H and Mr R contacted AXA to claim for damage to an underground pipe that caused damage to their property. They said there was water in the garden which was getting bigger. They also said the lining of their swimming pool was starting to swell and the patio was moving. They're unhappy with the way AXA has handled the claim as they said it had caused significant delays. Examples of this were:

- AXA initially declined the claim and took around seven weeks to accept the damage was covered.
- AXA couldn't find a tree surgeon to carry out some initial works. Mr R said he'd source a surgeon but he needed to know the details of which trees needed removing. AXA took a while to provide this information.
- AXA's contractor came out in December 2023 for a day, but then didn't return. Nothing happened on the claim after that.

AXA initially responded to Ms H and Mr R's complaint in February 2024 and offered £200 in compensation. It issued a further response and offered a further £100. However AXA said the consequential damage arising from the damaged pipe isn't covered under the terms of the insurance policy.

Ms H and Mr R didn't think AXA's response was fair. They recognised the policy didn't cover In August 2023 Ms H and Mr R contacted AXA to claim for damage to an underground pipe that caused damage to their property. They said there was water in the garden which was getting bigger. They also said the lining of their swimming pool was starting to swell and the patio was moving. They're unhappy with the way AXA has handled the claim as they said it had caused significant delays. Examples of this were:

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Ms H and Mr R didn't think AXA's response was fair. They recognised the policy didn't cover the damage, but they said that the damage had gotten significantly worse because of AXA's delays.

I issued a provisional decision and I said the following:

"I first need to make clear I can only consider AXA's handling of the claim up to when it issued its final response in April 2024. I'm aware the claim has continued after this, but Ms H and Mr R would need to raise any concerns they have with the way AXA has continued to handle the claim with AXA directly."

AXA's delays in the handling of the claim

I think AXA has caused some significant handling of the claim. In particular, I find the following:

- I don't think it was fair for AXA to have immediately declined the claim in the first instance. I recognise the policy doesn't cover escape of water from outside pipes, but it did cover accidental damage to them. So I think it should have, at the very least, looked to ascertain the cause of the damage.*
- I'm conscious AXA's internal records have said it thinks it should have appointed a loss adjustor from the start and I agree. There was extensive damage apparent at the start and I would have considered it good practice to have instructed someone to inspect the property and oversee it.*
- Once it became apparent AXA were unable to source a tree surgeon Ms H and Mr R arranged for their own tree surgeon to complete the vegetation works and this was done within a week. However, it appears to have taken AXA a further two months to stop the leak and install a temporary measure.*

I think, had AXA been pro-active on this claim, which I think it should have been, it seems to me it could and should have stopped the leak and installed the temporary measures within around a month. Instead it took over five months to do so. So it follows that I think AXA has caused around four months of delays in the handling of this claim.

AXA's liability on the resulting damage

Crucially Ms H and Mr R didn't take out accidental damage cover as part of their insurance policy. As a result of this, the policy only covers sudden and unexpected damage caused by Ms H, Mr R or their guests to the following:

- windows (including thermal expansion of glass)*
- solar panels*
- bathroom fixtures (e.g. toilet, sink etc.)*
- ceramic hobs*
- underground service pipes or cables.*

So the policy covered the damage to the underground pipes. The policy also only covered damaged arising from water escaping from indoor pipes. So, the resulting damage isn't covered under the terms of the policy. I also don't think this is disputed. However, Ms H and Mr R maintain AXA is liable for the damage due to its negligent handling of the claim. They said they made it clear to AXA the leak was causing further damage, but it didn't do anything to prevent this.

I recognise Ms H and Mr R's position regarding this. But it's also clear that a lot of the damage had already occurred when they first reported the claim. I'm conscious they said the

pool wall had already swollen and the patio had started to move. However, I've also considered AXA's loss adjustor report from December 2023 which says the following:

"The front garden has become waterlogged due to prolonged exposure to the ongoing leak. Consequently, there is now secondary damage to the driveway, boundary wall, rear garden, and swimming pool. The boundary pillar wall is moving, and the intermittent fence appears to also be loose. The swimming pool located in the rear garden is now contaminated and the surrounding patio tiles are showing signs of movement."

It's clear the damage to the patio and swimming pool was already present when the claim was first reported. But it does seem to me that the damage has become more widespread. As I said above, it seems to me that AXA caused at least four months delay, during which the leak was ongoing. So I do think AXA should some of the rectification costs.

As I said, I'm satisfied that the patio and swimming pool was already damage before Ms H and Mr R reported the incident. So I think the rectification of that was a cost they were always going to have to incur. And I'm not persuaded the costs of rectification for these have increased because of the delays caused by AXA.

But, as I said above, AXA own loss adjustor has seemingly concluded that AXA's delays have resulted in further damage to the driveway, boundary wall and garden. And I've not seen anything to show these were damaged and needed significant rectification when Ms H and Mr R first reported the incident. It follows, therefore, that I think the damage to the driveway and boundary wall is a consequential loss of the delays caused by AXA.

Ms H and Mr R have provided a number of quotes to rectify the damage. And I haven't seen anything to suggest that these aren't unreasonable. Based on this, it seems it will cost Ms H and Mr R around £18,000 to put right the damage AXA is liable for. So I think AXA should pay this to Ms H and Mr R directly.

I do also think these delays have caused Ms H and Mr R a lot of distress and inconvenience. They had to continually chase AXA to pursue the matter, the upset of their property suffering further damage and times where AXA weren't swift in replying to them. The Investigator thought AXA should increase its compensation to £700 and I think that's fair compensation."

AXA responded to accept my provisional decision. But Ms H and Mr R didn't agree. They said they believe they'd provided evidence the pool was in perfect condition two months before the claim.

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.

Neither party has provided anything materially new to what they provided before. So I don't see any reason to reach a different conclusion to what I reached in my provisional decision.

Ms H and Mr R have said they'd shown the pool was in perfect condition two months before the claim. But all parties accept the pool was damaged by the water escaping from the underground pipe. But, as I said in my provisional decision, the policy didn't cover resulting damage from the broken pipe.

However, AXA is liable for any for any additional damage they caused due to the delays it caused. But, for the reasons I set out in my provisional decision, I'm satisfied the damage to the patio and swimming pool was already present when the claim was first reported. So this

was primarily damaged because of the escape of water and not because of AXA's actions. So AXA is not liable for this damage either contractually or because of the delays it caused.

My final decision

For the reasons I set out above, it's my final decision that I require AXA Insurance UK Plc to do the following to put things right:

1. Pay Ms H and Mr R £18,000 to reflect the cost of rectifying the damage to the driveway, boundary wall and garden; and
2. Increase the compensation to £700.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H and Mr R to accept or reject my decision before 29 May 2025.

Guy Mitchell

Ombudsman