

The complaint

Mr W complains that AXA Insurance UK Plc have offered a cash settlement that doesn't cover all the work needed following an escape of water at his home, they have reduced his contents claim, and they have provided poor service.

What happened

Mr W held a buildings insurance policy with AXA. In December 2022 he had an escape of water from a pipe in his loft which brought down the upstairs bedroom ceiling and caused damage throughout the property.

He turned off the water, but he didn't notify AXA of the claim until February 2023.

AXA were unable to validate the claim until 2024 and then offered a cash settlement of £39153.15 for buildings, £13015.33 for contents and £5000 disturbance allowance.

Mr W is unhappy about this as he says that he is around £40,000 short of what he needs to complete the rectification work.

He complained, and AXA issued their final response on 13 November 2024. Mr W was unhappy with this and so he brought the complaint to us.

One of our investigators has looked into Mr W's complaint and he thought that AXA had offered a fair settlement.

Mr W disagreed with our investigator's view, and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

Claim delay

Mr W delayed in reporting the loss to AXA until February 2023. He has explained that this was due to family circumstances.

When AXA received the claim, they needed to validate that the loss was caused by an insured event – in this case an escape of a water - and that all the terms of the policy were complied with.

As there had been a delay in reporting the claim, AXA queried whether the property had been occupied at the time of loss, which can affect the validity of the policy. So, they requested utility bills and a TV licence to verify that the property was occupied. Mr W delayed in providing this information, which he has explained was because a lot of his documents were water damaged. However, he could have requested duplicates from his suppliers, which would have allowed the claim to progress.

AXA also asked for details of the plumbers who repaired the leak and the builders' details to confirm when work started, but these were also delayed in being supplied, and so the claim was finally validated on 7 March 2024.

Having read the claim notes I'm satisfied that AXA aren't responsible for the delay in the claims process until this point. They had quite reasonably asked Mr W to provide information which would help them to validate his claim, but there was a delay in it being received. Once the claim was validated, AXA started to assess the claimed repairs and losses submitted by Mr W.

Mr W had disposed of much of the furniture and carpets in the property by the time the claim was validated, and he told us that AXA's contractors advised him that he could do so.

However, AXA deny this, and as there is no evidence either way of these conversations, I've thought about what is more likely to have happened.

It is normal practice for an insurer to ask for contents to be retained until they are able to make a full assessment, and so I think it's unlikely that AXA's contractors would have explicitly told Mr W to dispose of items, especially at a first visit. It's also explicit in the terms of the policy at page 59 under "claims" that policy holders mustn't:

"Dispose of any damaged items or conduct permanent repairs. We, an approved supplier or loss adjuster may need to inspect the damage"

They say this because some items may be restorable and the insurer needs to be able to make a proper assessment of what can be salvaged and what cannot and assess the appropriate value of any items to be disposed of. I don't think that Mr W could have reasonably thought that after that first visit a full inspection had been completed.

Buildings

Mr W was already having an extension built on the property when the escape of water occurred. The building work had started on 15 November 2022. So, builders were on site when the incident occurred, with the leak being discovered on 19 December 2022.

Following the claim being accepted to proceed in February 2024 Mr W provided a quote for the repairs from his builder, but in May, AXA asked for a breakdown of these costs to enable them to see if they matched the scope of works completed by their own surveyor. The surveyor visited in June 2024 and a scope was completed.

I've seen AXA's fully costed scope of works, and I have also seen the quote breakdown provided by Mr W's builder.

I don't consider that Mr W's builders quote it is sufficiently detailed for it to be relied on. It doesn't detail which rooms are included, nor any measurements or quantities. In addition, it includes costs which cannot be validated. There are sums included for a new boiler and heating system and a complete rewire, but I haven't seen any evidence that these are necessary as a result of the escape of water. There are costs included for replacing sanitary ware which would not normally be necessary after an escape of water as it is unlikely to be damaged, there is also inclusion for a new staircase which is not considered necessary by AXA.

AXA's scope includes protection, plastering, joinery, flooring, décor, radiators, and replacement electrical sockets and switches for the landing, two of the bedrooms, the lounge and the dining room. It also includes protection, plastering joinery, flooring, insulation and

décor for two ensuites, and the removal and refitting of the sanitary ware for one of them. The other ensuite wasn't fitted at the time of the escape of water, and so no allowance is made for that. All of this is consistent with the damage we would normally expect to see in an escape of water.

There is reported to be no damage to two of the bedrooms, the porch, the main bathroom and the hall, and AXA have provided me with an explanation of why the hall is considered unaffected due to the way in which water ran into the downstairs of the property.

I am therefore persuaded that AXA's itemised scope of works more accurately reflects the water damage sustained, and I'm not directing them to increase their settlement figure.

Contents

In validating the claim, AXA have rejected some of the contents items being claims for, and reduced the amounts paid for others. This is because they say there is insufficient evidence that these items were damaged beyond economic repair, either because they have been disposed of, or the photographic evidence from the surveyor's visit doesn't show evidence of damage. In particular, there is no evidence that the washing machine and tumble dryer which were still in their packaging have been damaged, the TV stand, the dining chairs and table, the fireplace and mantelpiece mirror.

I've reviewed the evidence that AXA have relied on, and I agree that there is no evidenced damage to these items which would suggest they are beyond economic repair, and so I think AXA have acted reasonably in excluding them from any settlement.

I understand that Mr W still has some of the damaged items, but I have been unable to clarify which ones they are. However, if there are damaged items which I do not deal with here which Mr W wishes to claim for, I would expect AXA to re visit and assess these items.

In respect of the other items, there are several items which AXA have agreed to replace but have only allowed for "budget" replacement items. I don't consider that this is fair. The photographs of the damaged items that I have seen indicate that these are not budget items at the values put forward by AXA, and so I think that as AXA have accepted that these items are eligible for replacement, the values claimed by Mr W should be paid. These items are – the three piece suite (sofa and chairs), the next of tables, the kitchen table and chairs, the divan bed and mattress, the bedside tables, and the bedroom drawers. So I'm directing AXA to pay this aspect of the claim.

Alternative accommodation

Mr W has complained that he hasn't been offered alternative accommodation during the period of works.

When we look at whether alternative accommodation is appropriate, it's normally offered when there are no kitchen or bathroom facilities as a result of the loss.

I note that Mr W started a major extension before the escape of water, and so his kitchen and the main bathroom had been removed already, and so while I accept that there was no kitchen facilities in the house, it's as a result of the renovation work, not the escape of water.

However, in recognition of the difficult circumstances in which Mr W was living, AXA have offered £5000 disturbance allowance to reflect any additional inconvenience caused. We would normally look to award between £10 -- £15 per adult per day. I note that Mr W was

able to stay with his mother during this time, who lived opposite, and so I think this sum fairly reflects any additional inconvenience and costs to him of this relocation.

Renewal

Mr W has also complained about the increase in his policy renewal as a result of the claim. AXA made him aware of the increase at renewal, and we would normally expect to see an increase in premium at renewal, especially if a claim is ongoing as there is a continuing risk, and so I don't consider this unreasonable.

Distress and inconvenience

Mr W has raised several complaints throughout the claim, and AXA have awarded £150.00 in compensation. I can see that there has been some delay in responding to communication, so I agree that this could've been avoidable.

Taking this into consideration, I think that the amount awarded by AXA is in line with our guidelines, and I won't be recommending a further payment.

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.

AXA have accepted my provisional findings and recommendation for resolution, but Mr W hasn't replied.

So, for the reasons I have already stated, I'm upholding Mr W's complaint and confirming my proposed resolution to this complaint.

Putting things right

In order to put things right I think that AXA should:

- Pay Mr W the claimed amounts for his three-piece suite, the divan double bed and mattress, the nest of tables, the table and chairs, the bedside tables, and the bedroom drawers. In the alternative, if Mr W wants any of these items restored, AXA should arrange for this.

My final decision

My final decision is that I'm upholding Mr W's complaint about AXA Insurance UK Plc and directing them to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 August 2025.

Joanne Ward
Ombudsman