

The complaint

Miss M has complained about AXA Insurance UK Plc's handling of a claim she made for flood damage to her home.

Any reference to AXA throughout also includes the actions or arguments of its agents and representatives.

What happened

Miss M's property suffered a major flood in July 2021. She made a claim under the block insurance policy which covered her home, and which is underwritten by AXA.

Miss M had a previous complaint about this claim decided by the Financial Ombudsman Service. That complaint concerned AXA's refusal to pay for complete stripping out and replacement of the lower-ground floor construction, delays and poor communication, her desire for AXA to continue funding alternative accommodation and to cover the cost of her surveyor.

That complaint was upheld in part. AXA was directed to:

- Include the cost of replacing the lower-ground floor screed and insulation in the schedule of works.
- Update the schedule and cash settlement to reflect 2024 repair rates.
- Continue paying for alternative accommodation until the property is habitable.
- Fund additional covered surveyor costs up to the agreed 11% limit of total repair costs.
- Pay Miss M £850 compensation for avoidable distress and inconvenience.

This new complaint concerns the adequacy of the drying and sanitation works undertaken to the walls of the lower ground part of Miss M's property. Miss M complains this was never undertaken and no drying certificate issued. She says that as a result, the property likely remains contaminated by blackwater and so remains uninhabitable.

AXA says no drying certificate was able to be issued because several areas of ground water ingress, as a result of poor, absent or failed damp proofing, had been discovered during its works. AXA says these issues are separate from the flood event and are what has prevented the property from being able to be fully dried. So, AXA says it isn't responsible for remedying the issues or ensuring the property is fully dried.

Miss M has also complained that AXA has now withdrawn any further alternative accommodation cover. She says this contradicts the final decision on her earlier complaint. But AXA argues that it is not required to fund alternative accommodation indefinitely, only until the property was made habitable from the flood event. AXA says the property was dried to a state of equilibrium and so would have been completely dried, but for the unrelated water ingress issues. AXA says the reason the property remains uninhabitable now is that Miss M has not remedied the uninsured water ingress damage, to enable the remaining insured works to be completed. So, it feels it was fair to withdraw further alternative accommodation payments in these circumstances.

An investigator at the Financial Ombudsman Service considered Miss M's new complaint but didn't think it should be upheld. She thought the damp and moisture issues were caused by groundwater ingress rather than the flood, and so were for Miss M to remedy rather than AXA. She wasn't persuaded the walls were contaminated or that AXA acted unfairly by withdrawing cover for alternative accommodation.

Miss M didn't accept the investigator's assessment. So, as no agreement has been reached, the complaint has 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.

Having done so, while I appreciate it will likely come as a disappointment to Miss M, I've reached the same conclusions as the investigator. I'll explain why.

But first, I want to explain that while there has been extensive background and numerous separate areas of contention throughout the life of the claim and complaint, I don't intend to comment on everything which happened or has been in dispute. Instead, I'll focus on what I consider to be the key issues remaining in dispute, and which I need to decide in order to reach a fair and reasonable outcome. This isn't meant as a discourtesy to either side, rather it reflects the informal nature of the Financial Ombudsman Service, and my role within it.

Drying

It isn't in dispute that Miss M's property suffered a significant flood event, nor that water reached a certain distance up the walls in the lower-ground area. Expert reports produced throughout the claim acknowledged this, and recommended stripping out, drying and sanitisation works should be carried out.

I can see that an initial strip out and drying regime was undertaken, but a more extensive regime was later recommended by AXA's surveyor in 2023. AXA approved the costs for this but says it was for Miss M's surveyor to instruct their contractors to carry out the work – because they were dealing with the repairs, not AXA. It appears this didn't happen at that point in time, but AXA says the costs were again included in a revised schedule of work provided by Miss M's surveyor in March 2025. AXA approved this schedule, and it says photographs included in a subsequent report show the strip out was completed. Based on the photographs in this report, I am persuaded the strip out took place.

Miss M is unhappy that no drying certificate has been issued to confirm the walls were appropriately dried. She says this is contrary to required standards.

AXA's position is that the property was dried to a state of equilibrium but, following this, dampness reappeared in specific areas. AXA's experts have identified three areas of concern and have concluded the dampness is the result of ground water ingress/rising damp, resulting from defective or absent waterproofing (tanking). These were first highlighted by AXA's drying expert in 2022, and were summarised as:

- Rear section of the kitchen – There is a leaking external gutter and a flower bed has been created against the wall which bridges the damp proof course. Not related to the insured incident and can be cured simply by repairing the gutter and removing the flower bed.
- Main area of lower ground floor – Waterproof render appears to have been applied in the area of the staircase and this has failed allowing moisture into the property.
- Street vault area – The tanking system has not been finished correctly when installed and water merely tracks along the tanking until it comes to the poorly finished section then enters the property.

Miss M feels strongly that the core issue is not a matter of separate water ingress or rising damp. Rather, she says the core issue is AXA's failure to properly dry and sanitise her home following the flood event.

I appreciate Miss M's point that a drying certificate hasn't been issued for the walls, and that in many claims a certificate (or equivalent confirmation) would ordinarily be expected. However, in this case the expert evidence I've seen indicates the property was dried to a state of equilibrium, and that dampness then reappeared in specific areas sometime later. Those later damp findings have been attributed by the experts to separate groundwater ingress/rising damp due to defective or absent tanking, or other uninsured causes, rather than retained flood moisture. In these circumstances, I don't think it would be fair to treat the absence of a drying certificate, by itself, as evidence that the drying works were inadequate or incomplete.

I'm also satisfied that AXA has done enough to demonstrate that the ongoing ingress is separate to the flood, and is instead the result of the abovementioned, uninsured causes. It therefore follows that expecting AXA to fund the cost of rectifying these issues would amount to betterment, which wouldn't be fair or reasonable.

Sanitisation

In terms of the alleged contamination of the walls, the question I need to decide is whether the walls are more likely than not contaminated by blackwater (such that further decontamination is required).

AXA has pointed to the fact that borehole swab tests taken in 2022, prior to its drying regime, confirmed there was no evidence of contamination detected following the flood. Despite this, it funded decontamination works at that stage, using appropriate chemicals, so it says the property has already been sterilised beyond any need.

Miss M has argued that the presence of mould shortly after the flood incident, and discovered behind wall finishes when removed, contradicts the position that the property wasn't contaminated. She says this is evidence of bacterial/microbial growth as a result of contamination.

I've thought carefully about Miss M's concerns here. However, as I understand it, mould does not require bacteria to develop. Mould is a fungus that grows independently from bacteria requiring only oxygen, moisture and a food source, such as wood, dust, dirt or other organic material. So, while I don't doubt Miss M's evidence about mould, the presence of mould, in isolation, doesn't persuade me that the property was contaminated – particularly when I consider the swab test results.

I appreciate Miss M's argument that any decontamination works which did take place happened before the walls were fully stripped out. But had the flood contained contaminants, I think it's more likely than not that some bacteria or faecal matter contamination would have been identified by the borehole swab testing to the floors and kitchen wall – which it wasn't. Instead, it evidenced acceptable or normal levels not indicative of contamination. So, on balance, I don't consider it likely that the remaining walls would be contaminated when all the tested areas weren't.

I also recognise there is evidence of nitrates in the damp areas of the walls, and that Miss M says this can be caused by blackwater exposure. But based on the expert evidence currently available, I don't consider that is likely to be the explanation here. I say this because the weight of expert opinion I've seen attributes the nitrates to the ongoing areas of groundwater ingress, and because the earlier swab testing found no contamination following the flood.

Based on the above, I don't think it would be fair to conclude that AXA needs to fund further decontamination works to the walls, based on the evidence currently available. But if Miss M obtains new, persuasive expert evidence showing blackwater contamination to the walls, I would expect AXA to consider that evidence and potentially reconsider its position.

I understand Miss M feels it's unfair for her to be asked for further evidence. But I have to decide this complaint on the balance of probabilities, using the evidence that is currently available. I've thought carefully about all the evidence Miss M has provided about how flood-water contamination can occur, how porous the type of bricks at her property are and how water and contaminants can move through walls via capillary action. But I've ultimately seen no site-specific evidence to confirm or support the likely presence of contamination at Miss M's property.

Instead, in this specific case, AXA has provided borehole swab test results taken in 2022 which found no evidence of contamination, and none of the other site-specific expert material I've seen supports the conclusion that the walls are contaminated either. Taking that evidence together, on balance, I'm persuaded it is more likely than not that the walls are not contaminated by the flood. In these circumstances, I consider it reasonable that Miss M would need to provide contrary, site-specific, expert evidence if she wants the matter reconsidered. But as things currently stand, in the absence of that expert evidence, I don't think AXA needs to cover the cost of further decontamination, or specific decontamination to the walls.

That said, even if I were wrong about the likelihood of the walls being contaminated, AXA has also argued that even if further sterilisation works were needed – which it disputes – they would be moot. This is because a new tanking system is required to address the groundwater ingress. AXA has said:

"The proposed (redacted) system involves installing a new membrane that will be applied to the floor and lapped onto the walls. This process will include removing remaining render, applying a new render with an impermeable additive, and sealing the walls and floor. Subsequently, a new screed, plasterboard, and skim finish will be installed. These measures will effectively tank the area, sealing residual moisture and any potential contamination within the building's fabric, preventing it from passing into the habitable areas."

I find this explanation both plausible and persuasive, and so this represents a further reason why I don't think AXA needs to fund, or carry out, additional decontamination works at this stage.

For completeness, I'm aware that the above argument could potentially be AXA's position in response to any hypothetical further report Miss M might provide to evidence contamination to the walls. But as no such report has been obtained or provided, or any such position been confirmed by AXA, I'm unable to make a finding on a dispute about that, under this complaint. Should Miss M obtain such a report, and AXA respond in this way, Miss M would still be free to raise a new complaint about AXA's response at that stage, should she remain unhappy.

Alternative accommodation

Miss M has also complained that AXA withdrew cover for alternative accommodation from October 2025. She says this contradicts the final decision on her previous complaint which required AXA to:

- Continue to cover the cost of Ms M's alternative accommodation until her property is habitable again.

I'm not able to amend or add to the findings of the previous decision because our service's power to consider or answer a complaint are extinguished at the point the final decision is issued. This means I can't say anything in respect of the intention of that award which isn't contained within that final decision document. So, instead of focusing on whether AXA's actions are in line with, or in breach of, the previous decision, I'll simply focus on whether I think its decision to withdraw alternative accommodation cover was fair, in the specific circumstances of this complaint.

In this case, AXA has persuaded me that the property was most likely adequately dried and decontaminated in 2022, and that the ongoing dampness is due to separate, uninsured issues rather than continuing effects of the insured flood damage. That doesn't mean I think Miss M is to blame for the situation she finds herself in. But it does mean the reason the property remains uninhabitable is not, on the evidence, the insured peril covered by her policy or subject to her claim.

In these circumstances, I don't think it would be fair or reasonable to require AXA to continue funding alternative accommodation – particularly where doing so would go beyond what the policy is intended to cover and where AXA has already paid alternative accommodation costs well beyond the policy limit.

I do appreciate Miss M is in a very difficult position, and I appreciate my decision will be disappointing for her. But I note that AXA is already carrying out uninsured works to the tanking in the vault area as a gesture of goodwill and that it has paid her a significant sum of money (£18,000) in lieu of more expensive alternative accommodation on the understanding those funds would be put towards the required tanking works. AXA also offered a further £5,000 toward this, meaning there should be around £23,000 available for Miss M to put toward the uninsured work required. I think this is more than fair, and so I don't expect AXA to also continue funding alternative accommodation.

My final decision

For the reasons I've explained above, I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 April 2026.

Adam Golding
Ombudsman