

The complaint

Mrs D complains about AXA Insurance UK Plc's decision to decline a claim made after an escape of water at her property.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mrs D has an insurance policy, underwritten by AXA, to cover a property she inherited and rents out.

She made a claim in February 2025 after discovering a water leak from a pipe feeding the washing machine at the property. Her tenants had reported issues with the wooden flooring in the hallway next to the utility room where the washing machine was situated.

In short, AXA declined the claim on the basis that the damage had been caused gradually. They referred to the fact that there was seemingly long-standing damage caused by damp at the property. And they said the tenants had told them Mrs D hadn't visited to carry out any inspections.

Mrs D wasn't happy with this and complained to AXA. And when they maintained their position, she brought her complaint to us.

Our investigator looked into it and thought AXA should accept the claim and deal with it in line with the remaining policy terms. He also said AXA should pay Mrs D £250 in compensation for her trouble and upset.

AXA disagreed and asked for a final decision from an ombudsman. They believe the damage at the property indicates a long-term damp issue (with potentially more than one cause). And they remain concerned that Mrs D hadn't visited the property, which also means she won't have met the condition in the policy requiring her to maintain it in good condition.

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.

When an insurance claim is made, it's for the policyholder to demonstrate that they've suffered a loss or damage resulting from an insured event. The onus switches to the insurer if they wish to apply an exclusion or condition.

An escape of water from a pipe is an insured event. Mrs D has provided a short video taken by her plumber, showing the leak from the pipe leading to the washing machine. The leak is relatively profound – the water isn't seeping out slowly, it's flowing out of the pipe.

That then is an insured event. And the idea that the leak seen in the video wouldn't cause any damage is simply not credible.

So, Mrs D has demonstrated that an insured event occurred and caused damage.

AXA said they believed the leak had been on-going for some time and the damage was gradual. They're aware that we think an exclusion for gradual damage can only fairly be applied where the issue was, or should have been, apparent to the policyholder (or their tenants, in this case) over a period of time before it was reported.

It appears Mrs D had the leak sorted as soon as she was told by the tenants that there was a problem with the hall floor. Photographs of the hall floor soon after the claim was made show the floor to be wet, rather than appearing to be long-term damp.

Given the proximity of the hallway to the leaking pipe – and the extent of the leak - it seems most likely to me that the issue would have become apparent to the tenants over a relatively short space of time - and that they reported it quickly.

So, I don't think AXA can exclude this claim on the basis that the damage caused by the leak in question was gradual.

Mrs D has explained the reasons for her not visiting the property, which are entirely understandable. But she tells us her husband attends to inspect the property. So, I don't think on balance that AXA could maintain that the leak from the washing machine pipe went unnoticed because of any failure to inspect the property.

I don't think there's any suggestion here that the escape of water was caused because Mrs D failed to maintain the water pipe that leaked. I'd also be very surprised if there was any failure to maintain the hallway floor. As I say, the tenants appear to have raised the issue as soon as the floor became compromised.

Mrs D has admitted that the house has suffered from damp in the past. And that likely explains why AXA's loss adjuster picked up signs of damage in other areas of the property. There was rusting to some radiators and mould in some areas (although it appears relatively minor in most of those areas).

It would be entirely unfair to suggest that AXA should now pick up the bill for Mrs D addressing those long-standing issues with the property. They are almost certainly not caused by the escape of water in February 2025. They appear more long-standing and a matter of maintenance.

So, in my view, what we see here is an insured event, causing some damage, in a property which has some longer-standing issues and damage, likely due to damp. And the fair outcome is for AXA to cover the damage caused specifically by the escape of water in February 2025, but not the other longer-standing damage in the property.

Putting things right

Given my reasoning above, I agree with our investigator about the fair and reasonable outcome to this complaint. AXA should accept the claim and consider the damage caused by the escape of water in February 2025 in line with the remaining terms of the policy.

To be clear, I don't think they can rely on the gradual damage exclusion to discount the claim altogether. And I don't believe there is sufficient evidence to suggest that Mrs D didn't ensure that the property was inspected.

But I'm satisfied AXA would be entitled to decline elements of the claim where they can clearly demonstrate that the damaged item(s) was / were poorly maintained prior to the

escape of water.

I accept that, given the passage of time, it might be difficult to carry out any new assessment now to show definitively what damage occurred when and by what cause. However, there is extensive photographic evidence available.

I should note that, given my view that AXA were mistaken in declining the claim as a whole in early 2025, they are primarily responsible for the fact that no detailed inspection was carried out soon after the escape of water to delineate what damage was caused by the leak and what was pre-existing.

I would expect then that they would exclude damage from the claim only where the evidence still available clearly demonstrates that the damage pre-existed the escape of water.

If Mrs D is unhappy with AXA's settlement offer, based on their assessment of the damage now, then she'd be entitled to make a new complaint to AXA. And she could then bring that complaint to us if she isn't satisfied by AXA's response.

I also agree with our investigator about the compensation that AXA should pay to Mrs D. As I've explained above, I think they made mistakes in the way they determined the outcome of the claim.

Those mistakes led to a degree of prolonged inconvenience for Mrs D, alongside increased stress and worry about whether the claim would be settled satisfactorily and about how she might otherwise deal with arranging the necessary repairs at the property.

My final decision

For the reasons set out above, I uphold Mrs D's complaint.

AXA Insurance UK Plc must:

- consider the claim in line with the remaining terms of the policy (as described above); and
- pay Mrs D £250 in compensation for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 17 March 2026.

Neil Marshall
Ombudsman