

complaint

Mr B is unhappy with his let property insurance provider AXA Insurance UK Plc because it has declined his claim for storm damage to the roof and ceiling of his property.

background

On 27 November 2017 Mr B's tenant noticed water coming into the property and notified him. Mr B contacted AXA and it agreed that it would pay reasonable repair costs pending validation after sight of repair estimates.

Mr B then sent AXA an estimate for replacing his roof and a document regarding internal repairs (referred to on different occasions as an invoice, quote and estimate). AXA didn't think internal work had been done and couldn't trace the trader who had done the work and/or allegedly supplied the document. It also made some enquiries with the roofing contractor. It recorded that the roofer said he'd completed a repair estimate but told Mr B he couldn't guarantee there'd be no further water ingress after the repairs due to the general state of the roof. Therefore he'd given Mr B an estimate for replacing the whole roof. The roofer said there were slipped tiles, missing mortar and perished felt and he couldn't be sure when the tiles had slipped. AXA wasn't minded to settle Mr B's claim and he, on 14 February 2018, having completed some roof repairs, complained to this service.

Our investigator noted there had been a storm and, having had contact from the roofer, felt it was fair and reasonable to say AXA should settle the claim.

AXA wasn't minded to agree with our investigator. It said the weather near Mr B's property was likely less severe than that recorded by the weather station so it didn't believe there had been a storm. It said the photos taken by its loss adjuster clearly showed the roof wasn't damaged. The complaint was passed to me for consideration.

I asked AXA and Mr B for further information. I then issued a provisional decision. I felt AXA should pay for the external work and said I'd consider the internal work further if Mr B provided an invoice for the work being done. My key provisional findings were:

"I'm satisfied there was a storm. This is evidenced by the weather records. In any event, weather records are very easy for an insurer to check and, if it wants to quickly discount a claim on this basis I'd expect it to check this information before asking its policyholder to go to the trouble of providing estimates and/or before it appoints a loss adjuster.

I'm also satisfied that slipped tiles and water damaged ceilings are types of damage often caused by storms.

I'm not convinced by AXA's recent argument that there is no damage to the roof or that such is evidenced by the photos. The photos don't show enough detail or even enough of the roof to determine this. The loss adjuster's report contains only photos. Whilst I've asked for site notes and AXA says it's provided these, I've not seen them.

The call AXA had with the roofer wasn't recorded. So I can't be satisfied what was most likely said. The detail of the call having been noted by the AXA representative doesn't satisfy me in this respect. Not least because the context of the damage being discussed isn't clear from the note. It may well be that areas of the roof have damage indicative of wear and tear – such as missing mortar and perished felt, but that doesn't mean there wasn't storm

damage to the roof as well. In contrast the report Mr B submitted to AXA in respect of the roof said the slipped tiles were probably caused by a storm. And the roofer told us in an email that the tiles were moved by a storm, not due to wear and tear. So I think the balance is tipped in Mr B's favour and that AXA's decline of the roof repair was unfair and unreasonable.

Mr B has told me he had the repairs carried out in January 2018. If he submits an invoice in response to this provisional decision showing the repairs and the figure paid I'll likely make AXA reimburse him this sum, plus 8% simple interest.

I'm satisfied the internal damage was likely caused by the same storm. However, I haven't seen the repair document so I'm not sure what it says in terms of work, cost or date. Mr B has confirmed that he's had the work done but he hasn't confirmed when or by whom. I understand AXA's concern about not being able to trace the trader that is said to have produced the document. Especially in light of what Mr B says about how he came to instruct that trader. If Mr B can provide proof of work having been carried out at the property then I'll pass this to AXA and consider further whether it should have to reimburse Mr B for internal repairs. It might be useful for me to know what it would have cost AXA to carry out this work had it had the opportunity and inclination to do so. So I'd ask it to provide this information in response to this provisional decision.

The policy does allow for a deduction to be made where the property has been underinsured. AXA says the re-build value was £143,000 against a sum insured of £100,000. Whilst it raised the issue of underinsurance internally I note it didn't raise its concerns in this respect with Mr B, or reserve its right in this respect. And AXA also hasn't shown me what question Mr B was asked when the policy was arranged, so I can't be sure what Mr B was expected to have told it or based the sum insured on. On balance I'm not minded to make any allowance in my award for alleged underinsurance, I think such would be unfair.

I'm not going to make AXA compensate Mr B for any distress and inconvenience he's had. For one thing I think that such is likely quite limited. I also think that regarding the internal repairs at least AXA had reasonable and genuine concerns. It should have accepted the claim, in my view, for the roof repairs but any financial loss Mr B had as result of getting that work done himself will be accounted for by my interest award."

responses to my provisional decision

Mr B said he accepted the provisional decision and that he'd send in the invoices for the external and internal work. He duly did so and these were sent to AXA for consideration.

AXA said it maintained its view that the damage wasn't caused by a storm, it said it associates slipped tiles with a lack of maintenance. It said the invoice for external repairs mainly related to repair of the valley – which was not storm damage. Regarding the invoice for internal work it said that if it had been sent this during the claim it would have investigated it. Regarding under-insurance AXA said the sum insured had changed at renewal in 2016, Mr B had been in agreement that the new proposed sum was sufficient, so no further questions were asked.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

AXA's comments in respect of what might constitute storm damage haven't changed my mind about what I said provisionally. And I don't agree with it that most of the work detailed on Mr B's invoice relates to repairing the valley – not on the face of it and AXA hasn't provided any more detail in this respect such that might persuade me otherwise. There is reference to clearing debris from the valley – but as the area of slipped tiles to be worked on seems to be located either side of the valley it makes sense that the valley would need clearing. There is reference to cutting new valley tiles but it seems to me that this must refer to the tiles that abut the valley (as a valley isn't usually tiled). There is also reference to '*cementing and pointing up valley*'; again it isn't clear but this could be to do with making good the area where the tiles meet the valley. But, in any event, it seems to me that cementing and pointing is often relatively low cost work (so it wouldn't account for the main costs on the invoice). Taking everything into account, I think AXA fairly and reasonably has to settle Mr B's claim for external repairs by paying him £1,350, plus interest from 1 February 2018 (Mr B paid by cheque and the invoice is dated 20 January 2018, so awarding interest from 1 February reasonably allows for the cheque to be banked and the money to leave Mr B's account).

I can understand that AXA still has concerns about the internal work. On balance I don't think it would be fair for me to make it pay for that without it being able to look into this further. Therefore, if Mr B wants to pursue his claim for the internal repair work he'll have to let AXA know and it will then be able to carry out further investigations as it would have done had it received this information before Mr B's complaint was made.

I'm not minded to change what I said about not allowing AXA to apply any deduction in respect of under-insurance. Each year's policy is a new contract and in 2016 a key detail of the policy was changed – the sum insured. Mr B wasn't asked a clear question at this stage though – he was told what the previous value was and if a new value (which was more) was ok for him. He agreed it was. But that didn't put him on notice as to what AXA expected from this sum or what the consequences might be if an insufficient sum was given. All things considered I'm satisfied that it would be unfair for AXA to apply any deduction for under-insurance to this claim. However, Mr B is now on notice that the sum is considered to be insufficient by AXA so he may well wish to take action to resolve this to ensure he is fully protected in the future.

my final decision

I uphold this complaint in part. I require AXA Insurance UK Plc to:

- reimburse Mr B £1,350 being his outlay for external repairs, plus interest* from 1 February 2018 until settlement is made.
- if Mr B wants it to, investigate the claim for internal damage.
- if the internal damage claim is investigated and AXA Insurance UK Plc decides to offer any settlement, it will not be able to apply any deduction for under-insurance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 January 2019.

Fiona Robinson
ombudsman

* Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. If AXA Insurance UK Plc considers that it's required by HM Revenue & Customs to take off income tax from any interest due to Mr B, it should tell him how much it's taken off. It should also give Mr B a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.