

The complaint

Mr R complains about the way Zurich Insurance PLC has dealt with a claim on his marine insurance policy for damage to woodwork and an inflatable toy.

What happened

Mr R made a claim in April 2019 concerning damage to his boat equipment. The damage occurred after a fire in the area next to where his equipment was stored. There were initial disagreements with the settlement of damaged upholstery but Zurich eventually agreed a payment with Mr R and compensated him £200 for its initial shortcomings.

The outstanding issues we've been asked to look at concern damaged woodwork and an inflatable toy.

Zurich considered some quotes for repairs for the damaged woodwork but thought the amounts quoted were excessive. It has offered Mr R three options for settlement of this – he can:

- accept the original cash settlement offered by Zurich;
- obtain further quotes; or
- ask Zurich to obtain further quotes from reputable suppliers and proceed with any of the quotes approved by Zurich.

Mr R doesn't think the options provided by Zurich for the woodwork are fair. He says the quote from the manufacturer is sufficient to agree a settlement. He also says Zurich didn't inform him he needed to provide any further information or evidence for the inflatable toy.

Our investigator didn't uphold the complaint. She said Zurich's proposal for the woodwork claim was fair and it wouldn't be fair to ask Zurich to make a payment based on the manufacturer's quote. She also thought it was for Mr R to have provided evidence of ownership when he submitted the claim for the inflatable toy.

Mr R didn't agree with our investigator, so the case has been passed to me for a decision.

Zurich says Mr R only asked if the inflatable toy could be added to the claim while it was dealing with his complaint. Zurich says it agreed to look into this and noted in the final decision letter that the claims team would consider it, but Mr R hasn't provided any information since then in relation to this. It says any delay since the final response would be a fresh complaint.

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.

This is a Yacht and Motorboat policy that covers damage to the insured property, including the boating equipment. There's no dispute over whether there is cover, so I've focused on what the terms say about how Zurich will handle a valid claim.

The terms say Zurich will pay the reasonable cost of replacement or repair (less the excess), but importantly, they also say Zurich can decide where the repairs are carried out and may request a number of quotations in order to make this decision.

Mr R objects to having anyone other than the manufacturer carry out the work needed to replace the damaged woodwork. He says only the manufacturer can create a suitable like for like replacement and if anyone else is used the replacement won't be as good.

The starting point is that Zurich should ensure a lasting and effective repair. This doesn't mean Zurich is limited to having work done by the original manufacturer. Mr R says only the manufacturer can do a suitable replacement but I've not seen enough evidence to draw this conclusion. In fact, having seen quotes from specialist boat carpenters, I'm satisfied it's possible for other companies to provide suitable replacements. And if the work is carried out by a company chosen or recommended by Zurich, it will be responsible for ensuring the work is carried out to a suitable standard.

Mr R has given the example of a car and it being unfair to replace the leather interior with a cheap replica. Even so, it doesn't necessary follow that only the manufacturer should be allowed to attempt the repair, if other repairers can do this. With this in mind, I consider the three options presented by Zurich to be fair. Mr R is free to agree to any of the options given.

The inflatable toy was raised as part of the claim with Zurich in July 2019, while it was looking into the complaint about how the claim had been dealt with up to then. In its final response in August 2019 Zurich said the claim team was considering this. Zurich recently told us it was waiting for Mr R to provide evidence in support of this aspect of the claim. I agree it's reasonable for Mr R to have provided evidence of ownership to support his claim for the inflatable toy. At that point there hadn't been any delay in relation this, and it wasn't part of the complaint. If he says there has been delay since the final response, that would be a new matter. Zurich says if Mr R would like to complain about delays since then it would happy to consider that. If he's still unhappy after Zurich has considered this, he may bring a fresh complaint to us.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 September 2020.

Peter Whiteley

Ombudsman