

## **The complaint**

Mr G complains about how Zurich Insurance PLC handled his claim on a property insurance policy that covers his flat.

## **What happened**

Mr G owns a flat that he rented out. This was covered by an insurance policy provided by Zurich in the name of a property management company. The policy provides cover for a number of flats in a block.

In 2017 Mr G decided to sell the flat and secured a buyer. However in September that year the buyer visited the property to find there had been a leak in the kitchen. Following this, the sale fell through.

Mr G contacted the property management company who identified the leak as being from the flat above and arranged for this to be fixed. Mr G then made a claim on his insurance.

Zurich appointed a loss adjuster who attended in April 2018 to scope repairs, but found the leak wasn't fixed and there was still water dripping through the ceiling.

A further fix was arranged but the leak was found to continue when the builders attended again. This happened a further time after this and it wasn't until the beginning of 2021 that the leak was fixed and repairs could begin.

During this time Zurich said the leaks were due to three separate incidents and Mr G paid three separate £500 excesses.

Throughout the claim Mr G made three complaints about how the claim was handled. Zurich responded to the first two offering £500 compensation for each. It also agreed to pay loss of rent, the service charge he had paid and some utility bills.

In Mr G's final complaint he said he wasn't happy that there had been no electric or gas checks following the leak and he thought there had been further damage to the flat that hadn't been paid for. He also didn't think it was fair that Zurich had registered three separate claims and charged an excess for all three.

Zurich upheld Mr G's complaint and offered a further £500 compensation. It also agreed to pay for an electricity safety check. But didn't agree there was further damage or that a gas check was due. It also said it was right to charge three excesses as the leaks were caused by three different issues.

Mr G was unhappy with this response and brought his complaint to this service.

When our investigator got in touch with Zurich about the complaint, it said only two of Mr G's three complaints could be considered due to the first being brought to us out of time, and it didn't consent to this being considered.

Mr G confirmed to our investigator that the only outstanding concerns he had were that three

claims were registered and the amount of compensation offered.

Our investigator considered everything across the two complaints that were brought in time and recommended they be upheld. She thought Zurich hadn't done enough to show that the leak was due to three separate causes so thought only one claim should be registered. Further she thought Zurich should pay an additional £150 compensation to make up for the distress and inconvenience caused. However as it had paid a total of £1,000 compensation across the two complaints, she thought this made up for the two excesses it had wrongly charged, so didn't ask it to refund anything further.

Mr G accepted our investigator's opinion. However Zurich didn't. It didn't agree any further compensation was due. And, while it accepted three claims shouldn't have been charged for, it thought there were two different causes of the leaks so it was right to charge two excesses. It also confirmed that it had only registered one claim, so this would show on all external systems. It asked for the complaint to be reviewed by an ombudsman.

### **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.

I have considered the outstanding issues in turn.

#### **Number of claims**

Throughout Mr G's claim there has been a dispute about how many claims should be registered and therefore how many excesses should be charged. Since the complaint has come to us, Zurich has confirmed that it only registered one claim. However it maintains that the leaks were caused by two separate incidents, so two excesses should have been charged rather than three.

I've looked at the evidence Zurich has provided this service, but I don't agree it's done enough to show that the leak was caused by two separate incidents. It has provided a total of 17 reports. In these there is a lot of detail and commentary about the leak from the flat above Mr G's. However there is very little detail about the other leak Zurich has said caused the final damage. There are two lines in one of the reports stating the staining in Mr G's flat at the end of 2020 wasn't linked to the flat above it, but no further detail in the reports.

Mr G has said that the damage after each leak has appeared in the same place. And in the absence of further evidence, I'm satisfied that it's most likely the significant problems in the flat above caused all three leaks.

While Zurich initially charged three £500 excesses, it has also offered a total of £1,500 compensation across the three complaints Mr G has made. While I can't consider the compensation offered after the first complaint, I'm satisfied that the compensation paid across the two complaints I'm considering makes up for the two excesses Mr G has wrongly been charged.

Further, as Zurich has confirmed it only registered one claim for the three events, this will only show as one claim on external insurance records. So I think this is a fair reflection.

For these reasons, while I don't agree Zurich has acted fairly by collecting three excesses from Mr G, I'm satisfied that it's done enough to put things right. So I won't ask it to do anything further in this regard.

## **Compensation**

I agree that Zurich haven't handled Mr G's claim well. On a number of occasions, it confirmed work had been completed to fix the cause of the leak, only for Mr G to find that it was still ongoing and work couldn't begin. This delayed the claim significantly.

Further, had the leak in the flat above been effectively repaired then this delay could have been avoided, or at least significantly reduced.

During this time Mr G had to speak to a number of different contractors, liaise with the management company and call on help from friends to check on the flat, as he doesn't reside in the country. This has caused him some distress and inconvenience. It has also caused a delay to Mr G being able to sell his property which would have caused further inconvenience.

Due to this I agree with our investigator's recommendation that a further £150 compensation should be paid to recognise this unnecessary distress and inconvenience, in addition to that already offered across the two complaints.

## **My final decision**

For the reasons I've given I uphold Mr G's complaint and require Zurich Insurance PLC to pay him a further £150 compensation, in addition to the £1,000 already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 March 2022.

Sophie Goodyear  
**Ombudsman**