

The complaint

Miss D has complained about how Zurich Insurance PLC (Zurich) dealt with a claim under her home insurance policy.

References to Zurich include companies working on its behalf.

What happened

Miss D had an escape of water in her home. So, she contacted Zurich to make a claim. Zurich dealt with the claim. However, Miss D complained to Zurich because she was unhappy with the standard of workmanship and the delays in dealing with the claim.

When Zurich replied to the complaint, it said it was aware Miss D had rejected the cash settlement offered for some remaining issues. It said that if Miss D submitted further quotes, it would review these. Zurich accepted there had been a level of inconvenience above what it would normally expect to see as part of a claim. It also agreed that communication could have been better. It offered £300 compensation.

So, Miss D complained to this service. Our investigator upheld the complaint. He said there were several issues and delays during Miss D's claim. He said Zurich should pay a total of £750 compensation.

As Zurich didn't agree, the complaint was referred to me.

I issued my provisional decision on 20 June 2022. In my provisional decision, I explained the reasons why I was planning to uphold the complaint in part. I said:

Miss D has said her main concern is about the level of compensation she was offered, given the amount of disruption. So, I've looked at what happened and whether Zurich offered an appropriate amount of compensation.

There will always be a certain amount of disruption caused by making a claim and any works required to deal with it. Looking at what happened, I can see that the claim itself required extensive work to be carried out in Miss D's home in order to deal with the damage from the escape of water.

From what I've seen, the drying process seemed to start shortly after Miss D reported the claim. It then took about two months for the drying certificate to be issued. It isn't clear to me from the information provided when the drying itself was actually completed. But Zurich has explained that there was a government Covid-19 lockdown during the drying process, which affected its ability to carry out any work. I've looked at what restrictions were in place at the time and can see that these would have affected Zurich's ability to carry out any work and therefore to progress the claim.

When Covid-19 restrictions eased, Zurich started to move the claim forward. A site meeting also seemed to take place, which Miss D was invited to attend. A couple of weeks after that meeting Zurich emailed Miss D to say it needed her materials choice in order to progress the

claim. From what I've seen, Miss D did provide some of her material choices, but also during that time changed her mind about some of them. For example, it's my understanding that Miss D got a bathroom quote, but later decided she wanted a bath with centre taps, when they had previously been at the end of the bath. This required her own plumber to move some pipework. This made it more difficult to source a bath, as the type of bath Miss D previously had was no longer suitable. There was only one bath option, which had a longer order time. It's also my understanding that Miss D made changes to things like the upstands in the kitchen and the type of shower she wanted fitted.

So, I think issues around agreeing materials, works being carried out to accommodate some of those changes, which sometimes Miss D's contractor needed to carry out rather than Zurich, and then Zurich being able to progress works affected the progress of the claim. Although Zurich could potentially have ordered the bathroom earlier, I don't think this would have meant the bathroom was likely to be installed earlier as the bath would have been ordered on a like for like basis to replace what was previously there, rather than to fit the new plumbing set-up.

This also then seemed to impact the date on which Miss D could return to her home. Miss D was given a date when she would be able to move home. However, this date was then delayed, which seems mainly to have been because of the bathroom works. Although I can understand this would have been frustrating for Miss D, I don't think it would be fair for me to hold Zurich responsible for this delay. From what I've seen Zurich, had to wait for items such as the bath to be provided by the supplier and it would have been difficult for Miss D to have moved home before that was installed.

Miss D was also concerned that she moved home before the carpets were installed. It's my understanding that Miss D received a cash settlement for the carpets several weeks before she moved back into her home. So, I don't think Zurich was responsible for when the carpets were then installed. However, I'm aware Miss D would have needed notice of when the property was in a suitable state so she could have the carpets fitted. Zurich's records showed that Miss D had to chase for updates on when works were going to take place and the timing of when the works were likely to be complete, which I think will have impacted this.

When Miss D moved home the boiler didn't seem to be working. But, I haven't currently seen anything to show that Zurich dealt with the boiler as part of the claim and it didn't install it. So, I don't currently think Zurich needed to address issues with the boiler as part of the claim. I understand Zurich did later carry out some work on pipework for the boiler. Zurich has said it did this to "assist" Miss D and it wasn't part of the claim. From what I've seen that work was carried out very shortly after Miss D reported an issue. So even if I thought Zurich was responsible for that particular part needing to be repaired, I think its response time was reasonable.

I'm also aware there were a range of snagging issues that needed to be dealt with after Miss D moved home. Ultimately, Miss D asked Zurich to make a cash settlement to deal with these issues, which it agreed to. I think that was reasonable. But, I can understand that Miss D would have been concerned about the range of issues that needed to be fixed and the disruption to her and her family's return to their home.

Miss D was also concerned that she had to move to different accommodation several times while the claim was ongoing and that this also made it more difficult for her children and dog to live with her. Zurich provided information on the accommodation moves, which included Miss D staying in a hotel, a serviced apartment and a six-month property let. Miss D then arranged a short term let herself, which Zurich paid for, and Miss D then moved to a hotel for

a few weeks before she finally moved home. So, I can see Miss D had to move several times and that this would have been disruptive for her and her family.

The escape of water seemed to make Miss D's home immediately uninhabitable, so she needed somewhere to stay and longer term lets can take time to arrange. So, I don't think it's unusual that Miss D had to stay elsewhere before moving to the six-month let. Zurich gave notice on that property in line with the date that Miss D was originally expected to move home. From what I've seen, when it was identified that Miss D's move home would be delayed, Zurich tried to extend the lease, but it wasn't possible. Miss D then arranged her own temporary accommodation. I understand this also couldn't be extended because there was another booking at that property. So, Miss D moved to a hotel. Having looked at what happened, I haven't currently seen anything to suggest Zurich could have dealt with the accommodation issues differently.

It's also my understanding that one of Miss D's children and her dog was able to live with her at the serviced apartment and the six-month let and that Miss D's other child lived with her for some of the time as well. From what I've seen, the dog affected the range of properties that could be offered and Miss D was given the opportunity to review a range of properties before accepting one that she thought met her needs. I haven't currently seen anything to suggest that Zurich acted unreasonably or didn't try to take into account Miss D's family circumstances when she needed alternative accommodation.

I've thought carefully about the amount of compensation offered. I can understand that Miss D's life was significantly disrupted by the claim, including because of the extent of the damage. I think there were a range of factors that impacted the claim, including Covid-19 restrictions, issues with confirming and sourcing materials and that Miss D had to move accommodation several times. Zurich also accepted that it could have dealt with parts of the claim better and that there were some snagging issues. It offered a cash settlement for the outstanding issues, which after some negotiation Miss D accepted, and £300 compensation, which she rejected. Having thought about everything that happened, and although I'm aware this is likely to be a disappointment to Miss D, I currently think Zurich's offer of £300 compensation was reasonable in the circumstances and that it should pay that amount.

I asked both parties to send me any more information or evidence they wanted me to look at by 18 July 2022.

Zurich didn't raise any issues about the decision but queried why it was described as an uphold. Our investigator explained this to Zurich, which it didn't comment on any further.

Miss D didn't accept my decision. I have summarised the points below:

- The delays with the bath were due to the bath itself, not the taps. The bath needed was slightly smaller than a standard bath, which Zurich's builders had failed to tell her when she made her choice.
- The carpets were chosen and ordered in good time. Fitting was also arranged, but this had to be changed until the bathroom works were complete.
- Zurich didn't supply the boiler, but did arrange for the boiler to be connected and also fitted some other parts. This was what caused the boiler not to work and Zurich then had to fix it with the correct fitting to the pump that didn't melt or overheat.
- Miss D agreed that at times Zurich had been great but the builders' organisation and communication let her down. Zurich was responsible for the builders. The builders also used the cheapest material and had terrible communication. This was the reason for the delays, not the taps.

- Miss D had found the accommodation for herself as it was quicker. But having to stay with family wasn't ok, particularly given she wasn't responsible for the delays. Her house was empty for over two months as the builders were on other jobs or on holiday at different times. Miss D said this was what she was told at the time.
- £300 didn't cover even one week's wages. Miss D had to take many days/ weeks out from work over the period of the claim and for various reasons, including moving and finding accommodation, choosing materials again, meetings and contacting builders to fix problems.
- The builders plumbed in her old toilet, which they left in a terrible mess. The whole house stank of urine, there was no wash basin to clean hands and no toilet roll. The builder showed a lack of respect for her home. She complained to the project manager at the time.
- Miss D said her experience was made worse, but did acknowledge that some of the delays couldn't be avoided due to the pandemic. However, there were delays due to bad workmanship and bad communication by the builders.

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, I've decided to uphold this complaint in part and for the reasons given in my provisional decision. As part of that, I've considered the points made by Miss D in response to my provisional decision, but these haven't caused me to change my view about this complaint or how it should be resolved. For example, I was already aware that it was ordering the bath itself that led to a delay. But this was because Miss D changed the plumbing set-up, which meant a different type of bath needed to be ordered and this was more difficult to source. I've also already commented on the boiler and I'm not persuaded that Zurich needed to do more than it did to address any issues with it.

I've also thought again about the compensation. I'm aware that Miss D was very inconvenienced by the claim. I think some of that was due to nature and scale of the claim. However, Zurich accepted it could have dealt with parts of the claim better and it also needed to deal with some snagging issues. Looking at everything that happened and the additional comments Miss D has provided, I still think £300 is an appropriate amount of compensation for the distress and inconvenience caused to her.

Putting things right

Zurich should pay the £300 compensation it previously offered.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint in part and I require Zurich Insurance PLC to pay Miss D £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 22 August 2022.

Louise O'Sullivan
Ombudsman