

The complaint

Mrs and Mr J complained about Zurich Insurance PLC. They are not happy about the way it dealt with an ongoing claim under their buildings insurance policy.

Other companies have been involved in this complaint, but as Zurich is responsible for the complaint, I've just referred to it in this decision.

What happened

Mrs and Mr J took out buildings insurance with Zurich and made a claim under their policy. The claim, relating to subsidence, was ongoing for a few years and they had a number of issues relating to the claim. This complaint relates solely to the issues raised by Mrs and Mr J with Zurich and dealt with in its final response letters (FRL) of 25 June 2021 and 29 September 2021.

When Zurich looked at Mrs and Mr J's complaint about delays in dealing with the claim and raised concerns about damage to their property, including to personal belongings with sentimental value, it upheld their complaint in June 2021. Zurich asked them to provide a breakdown of the damaged items and offered £1,500 in compensation for the further delays and for the stress and inconvenience caused to Mrs and Mr J. It also offered reassurances that the work was now in hand and that there wouldn't be any further delays.

Zurich also looked into a further complaint raised and responded to it in September 2021. In this complaint Mrs and Mr J outlined that they thought the fairest thing to do, given their lack of faith in Zurich and the ongoing difficulties they faced which affected the family's mental health, was for Zurich to purchase their house. Zurich accepted that it didn't handle the continuing claim very well but outlined that the policy didn't cover the purchase of their house. But given the ongoing problems Mrs and Mr J faced it said that it would look at any further issues, and subsequent compensation, separately at the end of the claim. It did apologise for the continuing problems and agreed to appoint a specific contact to oversee the remaining works in a timely manner and deal with any concerns they had. It provided a contact for a senior executive at the business and arranged a call back from a manager. Mrs and Mr J remained unhappy about these issues and complained to this Service.

In relation to the issues that could be considered our investigator thought that Zurich's response in the June 2021 FRL was fair. He outlined that no amount of compensation could cover the emotional stress and inconvenience caused by the damage to personal items. But he thought that Zurich had acted reasonably by asking for a breakdown of the items damaged so it could consider paying a fair amount of compensation for the damaged items. And he thought that £1,500 was a fair compensation level for the stress and inconvenienced caused solely by this failing alongside reassurances about the ongoing claim process.

However, in relation to the second FRL (September 2021) he thought that Zurich should take some action now and should offer a further £400 compensation for the further stress and inconvenience caused. Although he thought Zurich had acted fairly by appointing a single point of contact to help simplify contact about the claim and providing the senior executive's

email contact as opposed to their telephone number. And he didn't think Zurich had done anything wrong in not offering to buy their house.

As Mrs and Mr J didn't agree the matter has been passed to me for review.

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 think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

Although I can understand Mrs and Mr J's position and the very difficult set of circumstances they have faced in dealing with their ongoing, difficult and challenging claim under their building insurance I must highlight that I'm not able to consider all the distress, inconvenience and stress they have faced throughout the claim. This is because Zurich considered all of these complaints and provided their FRL's around the time of complaint. I considered this separately and agreed that these complaints were brought to this Service out of time.

Turning to the two complaints that Zurich responded to in its FRL's in June and September 2021 that I can consider. I agree with our investigator's position that the complaint should be partly upheld, I'll explain why.

It must have been distressing for Mrs and Mr J to realise that further damage was caused to their property, some of which was of sentimental value which would be impossible to place a value on. However, I don't think any amount of compensation would put that right. And the further delays, that Zurich accept, must have been very stressful for Mrs and Mr J especially given the health concerns the family had.

But Zurich have offered £1,500 in compensation in acknowledgement of its error which is a significant amount of compensation. And I feel it is fair in the circumstances for this error only. Furthermore, at the time Zurich confirmed further works, and that the work was progressing, while asking Mrs and Mr J to submit a full content claim for the additional damage caused to their property which feels fair. I do understand that it would have been difficult for Mrs and Mr J to put the contents claim together, especially given the sentimental nature of a lot of the claim, but that was unavoidable once the damage had arisen.

In relation to Zurich's FRL of 29 September I can understand why it suggested waiting until the claim and work had been finalised before considering the level of compensation it would pay, if any. I say this as the matter has been ongoing for a while and a number of complaints have been considered along the way. However, I agree with the investigator that it is possible and right to consider the delay in completing works to the house that kept Mrs and Mr J out of their house in isolation now.

Mrs and Mr J complained to Zurich again as it failed to meet a deadline to complete works to their property in order that they could return home. At this point, given the ongoing problems and delays Mrs and Mr J faced, and were continuing to face, they asked Zurich to buy their

house in order that they could just move on. And they requested the contact details of the Chief Executive and for a manager to call them back.

In response Zurich apologised for the further delay and for not completing the works on time and for the stress all this had caused. It explained that it had appointed a specific point of contact to oversee the works and to ensure things were progressed in a timely manner. Zurich also explained that it couldn't buy their house as this wasn't how their building insurance policy worked and said that it would look at the delay and poor service at the end of the claim process so that it can review its overall service. And it provided a contact email address for its Chief Executive and explained that it would get a manager to call.

Given the concerns and problems Mrs and Mr J faced throughout this claim I agree that it must have been stressful and worrying to face this further delay, especially given the health problems the family were facing. I can understand why Zurich wanted to consider this issue at the end of the claim process, and Zurich may want to do this if any further issues occur, but I agree it is fair to look at this additional delay in isolation. And so, I agree that Mrs and Mr J should be compensated alongside Zurich's apology and I agree that £400 seems fair.

I say this as members of the family were having counselling at the time and the anxiety caused by being out of the house for a prolonged period knocked on to academic studies amongst other things. I agree that this additional delay caused more upset and inconvenience at an already difficult time. And so, I think £400 compensation in acknowledgment of all of this, after being out of their house for two years already, seems fair.

I do think Zurich acted fairly in providing the Chief Executive's contact details, but not their mobile number, and offering for a manager to call back as this was in line with their process. Zurich also highlighted the person overseeing the works and claim so that Mrs and Mr J had a point of contact which was reasonable in the circumstances.

Finally, I can understand how this delayed claim has made Mrs and Mr J feel including the fact that their home didn't feel like home. However, I can't ask Zurich to step outside the policy to this extent and this isn't something that the policy covers. I know Mrs and Mr J understand this but thought Zurich would do this as a matter of goodwill. But I can't say Zurich has acted unfairly in not agreeing to this. Zurich is obliged to deal with the claim under the policy, repair any damages and to look to put any mistakes right but not to purchase their home.

Given this, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for Zurich to pay an additional £400 compensation.

My final decision

It follows, for the reasons given above, that I partly uphold this complaint. I require Zurich Insurance PLC to pay an additional £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 4 November 2022.

Colin Keegan
Ombudsman