

The complaint

Miss U has complained to Zurich Insurance PLC (Zurich) about claim delays under her home insurance policy.

What happened

Miss U contacted Zurich to make a claim following an escape of water at her home. Zurich accepted the claim. A few months later, Miss U complained to Zurich because she was concerned about delays with progressing her claim and poor communication. When Zurich replied, it said Miss U's recent material choices had been included in the updated scope and submitted for approval. Settlement would then be confirmed. It said it appreciated there had been some confusion and minor delays when reviewing this. It offered £100 compensation as an apology.

Miss U contacted this service to complain. Our investigator upheld the complaint. He said Zurich had suggested Miss U was the primary source of the delays. However, he hadn't seen evidence to show this. He said Zurich should pay a total of £500 compensation because of the issues with progressing the claim.

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

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 uphold this complaint. I will explain why.

Miss U had an escape of water at her home. Zurich initially seemed to progress the claim promptly, including appointing a company to dry the property. Zurich then had to chase the drying company for progress on contacting Miss U to arrange the drying. The company told Zurich strip-out works were also required, which it said it could carry out. After some further chasing, the company then said it couldn't do the strip-out works and that another contractor would need to be appointed.

When a new contractor was appointed, this company said asbestos testing would need to be carried out on some tiles. The original contractor also needed to be contacted to check what needed to be stripped out, as this hadn't been specified. It was then identified that asbestos was present, which needed to be removed. The original contractor also contacted Zurich to say it could no longer carry out the drying, so a new contractor needed to be appointed. The asbestos was then removed and a new contractor was told the drying could start. A few weeks later the drying was confirmed as complete.

So, I think there were issues with a contractor saying it could do the required work and then, over time, saying it couldn't. There also seemed to be issues with identifying the work that needed to be carried out for the claim to progress and the drying to start.

Zurich and the contractor said there were delays because Miss U kept changing her mind about the kitchen details and materials. Looking at the records, I can see Miss U kept chasing the contractor for updates and that Zurich told the contractor it needed to reply to the queries. The contractor was also told to ensure it explained the impact of Miss U changing her mind about the kitchen details. Zurich told this service it thought Miss U might have been told this on the phone, although I haven't seen evidence that shows this. From what I've seen, there seemed to be delays in the contractor responding to Miss U's queries and this seemed to add to her concerns and the number of queries she had. Although Miss U seemed to change her mind on some aspects of the work, I haven't seen evidence that persuades me that there was clear communication with Miss U about timescales or the impact of changing some of the design or materials. Based on what I've seen, some of the changes also seemed to be in response to some materials not being available or the design not being correct.

I'm also aware the contractor then decided it couldn't do the work and that a cash settlement would be more suitable. There then seemed to be further delays in agreeing a cash settlement and this issue remained outstanding when the final response to the complaint was issued, although I'm aware this has since progressed.

Miss U's complaint was about the delays in the work starting and poor communication by contractors. Based on the evidence I've seen, I think there were issues with appointing appropriate contractors and with the drying works starting. Miss U raised a number of concerns and queries and the contractor had to be told to reply. I also haven't seen evidence that timescales were clearly explained to Miss U, including the impact of changes to design or materials. As I've noted, some of the changes Miss U requested also seemed to be due to issues with material availability or concerns about the design.

I've thought carefully about what happened during this claim and whether Zurich fairly compensated Miss U. Having done so, I don't think it did. Looking at the issues with progressing the claim and around communication, I think Zurich should pay a total of £500 compensation, as I think this more fairly reflects the impact on Miss U because of how her claim was handled.

Putting things right

Zurich should pay Miss U a total of £500 compensation, which includes the compensation it previously offered.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Zurich Insurance PLC to pay Miss U a total of £500 compensation, which includes the compensation it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 27 December 2022.

Louise O'Sullivan
Ombudsman