

The complaint

Mr B has complained about how Zurich Insurance PLC trading as Zurich Insurance (Zurich) dealt with a claim under a block insurance policy.

What happened

Mr B had a water leak in his home, which came from the property above. So, he made a claim. There were further water leaks. Zurich dealt with the claim. Mr B complained to Zurich about the delays in progressing his claim and issues he had experienced, including with the alternative accommodation. When Zurich replied it accepted there had been issues with the claim, including communication issues and with the alternative accommodation and storage not being renewed in good time. It offered £750 compensation for the distress and inconvenience caused.

When Mr B complained to this service, our investigator upheld it. He said there had been significant delays during the claim and issues with the storage of items and the accommodation Mr B moved to during the claim. He said Zurich should pay a further £250 compensation because of the impact on Mr B.

Mr B didn't agree because he didn't think the compensation was enough or recognise the ongoing issues. Zurich didn't agree because it said the compensation it had offered was appropriate for the issues Mr B had experienced. So, 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.

I should note that my decision only considers the issues and timeframe up to the date of Zurich's response to his complaint. I'm aware Mr B has said he continued to experience issues after this. However, those don't form part of my decision.

There were a series of leaks at Mr B's property. From what I've seen, these took about three or four months to resolve. Zurich has said it couldn't start to deal with the claim until these were fixed and it wasn't its responsibility to do this. In Mr B's complaint, I also note that he has said his complaint only related to the period from when the scope of works was approved. Both Mr B and Zurich have provided information that showed this date was 11 March 2021. It's my understanding this was the first date from which the claim could start to progress.

Zurich's records indicate that about a month later, Mr B made contact to discuss flooring choices. He then seemed to have to chase for a response. At this stage the scope of works was being revised as additional damage had been found. About a month later the revised scope of works was provided. When this was reviewed, it was identified that the costs had increased. A new company needed to be appointed as loss adjuster because of the

increased costs. This was a period of nearly three months. Mr B seemed to have to chase for responses to his queries and there seem to have been at least some delay in the revised scope of works being provided. However, I'm mindful that where additional damage is found it's reasonable to review, and potentially revise, the scope of works to ensure that all the damage is dealt with and that time needs to be allowed for this to happen. This can also mean that a loss adjuster then needs to be appointed.

Mr B was concerned by the loss adjuster's lack of progress. It's my understanding that Zurich took over direct ownership of the claim. A couple of months after this, Mr B was told by the property manager where he lived that the flooring needed to be replaced like for like, including noise-reducing underlay. A few weeks later a new contractor was appointed. When the work commenced several months later, in May 2022, the issue with the flooring still hadn't been resolved and Mr B was asked to finalise his floor choice.

I noted a number of gaps in the claim timeline provided by Zurich. I asked it to explain what, if anything, was happening in those time periods. Zurich didn't provide any further details. There seemed to be a two-month gap between someone at Zurich taking over direct ownership and the next action on the claim. There was then a seven-month gap before the works started. During that time a contractor visited and Mr B was asked to get a quote for storage, but it wasn't clear what other steps were being taken to progress the claim. It also seemed to take about seven months from when Mr B raised the issue of the floor specification for Zurich to identify it couldn't find a like for like floor. Zurich seemed to suggest that some of this was down to Mr B. However, I'm not persuaded that explains what happened.

When the works were due to start, Zurich still hadn't confirmed the flooring. It asked Mr B about his material choices and said it took him about a month for him to do so. Even if that was the case, this doesn't explain what happened about the flooring in the seven months before that. The works were also due to take three weeks. They ended up taking four months to complete. Even if Mr B could have replied sooner with his material choice, this doesn't explain why the work took four months. Mr B also said that a few weeks into the claim, the property manager where he lived told him the contractors had only checked out the keys once, meaning it had only done one day's work. I asked Zurich to explain why the work had taken much longer than expected and about what was done to try and progress the work in a timely manner. Zurich didn't provide any explanation.

So, thinking about all of the above, I think there were a number of lengthy delays during the claim that meant it took considerably longer than it should have to complete the work. I think this caused a lot of uncertainty and disruption for Mr B. I'm also aware there were issues with Mr B's alternative accommodation, including having to move several times, and the storage, both of which were often extended at short notice and added to Mr B's concerns. I'm aware Mr B commented on compensation and the amount he had paid in premiums. However, I'm mindful that Mr B needed to pay the premiums if he wanted cover in place. Zurich already offered Mr B £750 compensation for the issues it identified. However, I don't think this fully reflected the level of disruption to Mr B. As a result, I think Zurich should pay an additional £250, which is £1,000 in total.

Putting things right

Zurich should pay Mr B a total of £1,000 compensation, which includes the £750 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 trading as Zurich Insurance to pay Mr B a total of £1,000, which includes the £750 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 April 2023.

Louise O'Sullivan
Ombudsman