

## **The complaint**

Miss W complains about how Zurich Insurance Company Ltd handled her claim on her home insurance following an escape of water at her home.

Miss W has been represented by a third party at points throughout the claim and complaint, however for ease of reading, all references to Miss W include the actions of the third party.

## **What happened**

Miss W had home insurance that was underwritten by Zurich. In July 2019 she noticed increasing damp at the property. She had various workmen out to inspect it who weren't able to identify the cause. In August 2019 she made a claim on her insurance. Zurich sent a contractor to identify the problem and they initially said the leak was coming from the bath. However over the months that followed various contractors attended who disagreed with this diagnosis, although the cause of the leak was not confirmed.

However drying and strip out work began and Miss W was advised she would need to move out while drying and repairs were completed. This took some time to arrange and Miss W didn't move out of the property until the end of January 2020.

In the course of the strip out works asbestos was identified in the floors of the property, which delayed the work further.

In July 2020 Miss W moved back into the property. However she subsequently discovered that the leak was still operating and the damp at her property was worsening again. She raised this with Zurich and in May 2021 a contractor attended to inspect the new damage. The outcome of this report wasn't shared with Miss W until October 2021. It suggested a camera inspection of some underground pipes, which was arranged for November 2021.

However Miss W was unhappy with how the claim had been handled throughout and that little progress had been made in two years. She said she suffered from a chronic condition that had made moving out of her home and living in poor conditions at the property more difficult. And considering this and the fact she lived alone the impact of the poor service provided by Zurich had been significant.

Zurich responded to Miss W's complaint in November 2021. It accepted it had provided poor service and caused delays to the claim. It offered Miss W £1,250 compensation to apologise for this.

Miss W didn't think this was sufficient, so she brought her complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld. She thought Zurich had delayed the claim unnecessarily and that this had had a significant impact on Miss W particularly due to her vulnerabilities. She recommended Zurich pay an additional £500 compensation on top of what it had already offered.

Zurich accepted our investigator's outcome. However Miss W didn't. She didn't think the

recommended compensation was enough to recognise the severe impact the matter had had on her. And she thought our investigator had failed to take into account more recent events in the claim when she should have. She 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.

The remit of this service is to consider how a business has dealt with a complaint and decide if it's done enough to resolve things fairly and reasonably. This means that in order to consider a complaint, the business has to have had the opportunity to resolve the issues itself first.

Here, Zurich responded to Miss W's complaint in November 2021. That means this service can only consider matters that happened up until this date as part of this complaint. I understand that there have been further developments in the claim since then and that Miss W remains unhappy with these. And that a new complaint has been started to address issues after this time. If Miss W remains unhappy with how Zurich resolves these she can bring a new complaint for this service to consider, but I won't consider these issues as part of this review.

Having reviewed the timelines provided by each side as well as the claim notes and correspondence from the claim, I agree Zurich has provided a very poor service. And it has caused significant unnecessary delays.

Between when the claim was made in August 2019 and when a full drain survey was arranged in November 2021 it appears Zurich has been unable to effectively identify the cause of the leak. While it's clear from the number of inconclusive inspections that it is hard to identify, it is unclear why it took over two years for Zurich to instruct a full drain survey. Miss W had said that in the first few months of the claim she almost completely stopped using her bath and shower to try and avoid further damage. As the leak appeared to continue during this time, this should have been enough to indicate to Zurich that there may be another factor adding to the leak. The fact that this wasn't explored until two years later has delayed the resolution of the problem, prolonged the claim and caused Miss W significant additional distress.

There were periods of time where there appears to have been no contact at all from Zurich and its contractors and Miss W. This includes a period when Miss W was trying to get hold of the loss adjuster appointed to the case for many weeks, only to find out he had retired but she had not been informed. This has left her not knowing how the claim will progress, when she is living in a house with a worsening damp problem. This would have been very distressing for Miss W.

Further, when a report was instructed in May 2021, it took five months for the results of this report to be shared with Miss W, or for any meaningful progress to be made as a result of the report. And it took repeated phone calls from Miss W for this to happen. This caused the claim to be further delayed and caused Miss W further distress.

Miss W has described the difficulties she had in securing alternative accommodation at the beginning of the claim. She had a number of requirements due to a chronic health condition and struggled to find accommodation that would meet her needs. While I can't say it was Zurich's fault that there were few properties that were appropriate for Miss W, from what I've seen Zurich provided little help and support to Miss W when securing a suitable property.

And instead Miss W heavily relied on her representative to source a property. This no doubt delayed Miss W being able to move into a property and therefore when the work was able to commence.

Miss W has described in detail the impact the claim has had on her. And I was really sorry to read about the distress she's been caused. She's explained that she has a chronic condition that already causes her worry and discomfort and this also meant she had to isolate during the Covid-19 pandemic that was taking place through some of the claim. Further, she had to be displaced from her home in accommodation she was not comfortable in and that didn't meet her needs which caused additional distress. And when she's moved back into her own property it has been in a poor condition which was difficult to live with. She's also had to deal with multiple contractors attending at different times and has had to continually chase Zurich for updates and progress. Considering Miss W's condition and that she lives by herself and has to isolate for periods, I agree this would have been a very distressing time for her.

Based on this, I agree with our investigator that Zurich should increase its offer of compensation to a total of £1,750 to appropriately recognise the distress caused in the period from August 2019 to November 2021.

I appreciate Miss W doesn't think this is enough for the level of distress she's experienced. I want to reassure her that I have taken into account everything she has said when reaching my outcome and understand it has been a very distressing time for her. And based on these circumstances I think this award is in line with this service's approach to other complaints where a similar level of distress has been caused.

### **My final decision**

For the reasons I've given I uphold Miss W's complaint and require Zurich Insurance Company Ltd to pay her a total of £1,750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 23 May 2023.

Sophie Goodyear  
**Ombudsman**