

The complaint

Mrs M and Mr M complain about the level of service received from Zurich Insurance PLC following a claim against their property insurance policy.

What happened

The background to the complaint is well-known to all parties so I won't repeat it here. In my decision I'll mainly focus on giving the reasons for reaching the outcome I have.

A third-party vehicle caught fire outside Mrs M and Mr M's property in early 2022. Damage was caused to the driveway and building. They raised a claim to Zurich roughly a month after the fire occurred, and Zurich accepted it, but delayed settling it. Mrs M and Mr M say they had a terrible time of things due to Zurich's handling of the claim, and delays caused debris to be walked through their property, damaging floors and carpets. They say Zurich should cover the costs of making good the internal damage as part of the claim.

Zurich accept matters should have been handled better and paid Mrs M and Mr M £400 compensation for any distress and inconvenience caused. They didn't agree to cover the internal damage as part of the claim and said a new claim would need to be submitted for review. They also say Mrs M and Mr M ought to have taken reasonable steps to mitigate internal damage from occurring. Mrs M and Mr M weren't happy with Zurich's response, so they approached our Service for an impartial review.

Our investigator recommended the complaint be upheld in part. She thought Zurich should increase the compensation to £600 in total due to the way things were handled – and the impact on Mrs M and Mr M. She didn't recommend Zurich replace the carpets and clean floors as she thought reasonable steps could have been taken to prevent this damage occurring after the fire. As both parties requested a decision, the case was passed to me to decide.

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.

Replacement carpets and cleaning

Mrs M and Mr M say the fire occurred directly outside their property so it was inevitable debris would be walked through their property. They say firemen, police, and neighbours entered the property shortly after the fire, and substantial water was used to put it out – spreading debris. They also say they were diligent at first to prevent debris being walked through their property, but as time went on (due to Zurich's delays), damage increased. And they had grandchildren visit and owned a dog which caused challenges in this respect.

I've reviewed photos of the property which show an area of the driveway where the fire occurred – debris can be seen mainly in one area. Photos show other parts of the driveway that appear less impacted and what looks to be a separate entrance from the road leading to

the front door. It doesn't seem – based on photos – the only way to access the property was through the area of driveway where the fire occurred, so I'm not persuaded it was inevitable debris would be walked through the property and this was unavoidable. I also note Zurich say taking steps such as removing shoes before entering the property would have prevented debris being walked through which I think is reasonable.

I accept Zurich's poor claim handling here prolonged the need for Mrs M and Mr M to continue to act diligently as they say they did early on to prevent debris being walked through their property. This would have caused some inconvenience having to take these steps for longer than what was required due to Zurich's claim handling. I don't, however, think these delays meant there was no other option available to Mrs M and Mr M but to walk debris through the property, or they were prevented from taking these reasonable steps due to the claim delays.

I note Zurich say Mrs M and Mr M should raise a new claim if they wish for the internal damage to be considered. I think that's reasonable, so I won't be requiring Zurich to cover these costs as part of the fire claim.

Compensation

Mrs M and Mr M had a terrible time of things. Our investigator pointed out some of the failings here and it's fair to say Zurich (and their agents) let them down at times. Mrs M and Mr M were subject to avoidable delays, were asked to collate unnecessary information, and experienced a lack of communication, amongst other things. As mentioned above, I think delays caused further inconvenience – over and above what's naturally expected following a claim of this nature, and it ran for longer than it needed to.

Zurich and their agents accept the level of service provided to Mrs M and Mr M was poor at times. To recognise this, Zurich paid them £400. But given the way things were handled – particularly the delays caused and the lack of communication at times, I'm satisfied £600 in total is fair, reasonable, and proportionate here. I say this because it's clear Mrs M and Mr M had a terrible time of things overall which I think could have been avoided had the claim been handled better. So, I'll be directing Zurich to pay Mrs M and Mr M £600 compensation in total for their handling of matters, and the impact on Mrs M and Mr M.

Summary

For the reasons I've mentioned above, I'm not persuaded claim delays resulted in internal damage being caused, or it's fair and reasonable to require Zurich to cover this damage as part of this claim.

There were clear failings during the claim which led to it running for longer than necessary, and I've no doubt this caused Mrs M and Mr M a level of distress and inconvenience. As such, I find £600 compensation in total to be fair, reasonable, and proportionate here, so I'll be directing Zurich to pay this to Mrs M and Mr M (less any compensation amounts already paid as part of the complaint).

I appreciate my decision will come as a disappointment to Mrs M and Mr M. But my decision ends what we – in attempting to resolve their dispute with Zurich – can do for them.

Putting things right

Zurich Insurance PLC must now pay Mrs M and Mr M £600 compensation in total for any distress and inconvenience caused – less any amounts for compensation already paid as part of the complaint.

My final decision

For the reasons I've mentioned above, my final decision is I uphold the complaint. I now require Zurich Insurance PLC to put matters right as set out under heading "*Putting things right*".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 1 May 2023.

Liam Hickey
Ombudsman