DRN-4659060

The complaint

Mrs B complains about the way her insurer, Zurich Insurance PLC, ("Zurich") handled a claim for subsidence.

Any references to Zurich in this decision include its appointed agents.

What happened

In 2020, Mrs B made a claim to her insurer, Zurich, for subsidence at her property. Site investigations began and to determine the cause, contractors had to drill boreholes into the downstairs floor. It was then discovered that the floor tiles were made of a substance containing asbestos, so the tiles had to be removed before the boreholes could be drilled.

Mrs B says it took over a year for the loss adjusters handling the claim to arrange the necessary work. And that when she enquired about what work was going to be done, the contractor said it wasn't aware of the need for boreholes and that they were only going to apply a damp-proof membrane, and then screed and re-lay the floor.

Following some confusion, the floor repair was stopped and didn't take place until over a year later. But Mrs B says this left her house in an unsafe condition, with damaged bare concrete floors, which caused to her to have an accident, requiring both hospital care and dental treatment.

Mrs B complained to her insurer about the poor service she'd received. Zurich responded to Mrs B's various complaints and in this particular case it offered her £450 for the distress and inconvenience it had caused.

Mrs B remained unhappy with this. She says the entire claim has been extremely distressing for her. She's also unhappy that Zurich won't be able to offer the same type of policy at renewal, effectively leaving her without insurance, and that she's had to pay three excesses despite Zurich's inability to stop the ongoing movement of her house.

Because Mrs B didn't accept Zurich's offer, she referred her complaint to this service. Our investigator considered it, but didn't think Zurich had to do any more to put things right. Mrs B disagreed with our investigator's assessment, so the complaint has now come 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.

Having done so, I've decided not to uphold this complaint. I'll explain why.

Firstly, I should point out that the final response letter that was sent to Mrs B in October 2022 refers to issues that I'm not able to consider. Zurich says it dealt with those issues in 2022 and offered Mrs B £1000 for the distress and inconvenience caused. A further £300 was offered by its loss adjuster, separately, for the poor service it provided. I've looked at the

matters dealt with in that final response letter. These include Mrs B's fall, her request for alternative accommodation, plus all other aspects of the claim up to the date of that final response letter (13 October 2022).

I won't be able to comment on the issues mentioned in that final response letter, because those complaints were not referred to this service within six months of the date of that final response letter.

The rules that govern which complaints we can consider are set out in the Dispute Resolution section of the Financial Conduct Authority's Handbook ("DISP").

DISP 2.8.2R says that unless the financial business (in this case Zurich) consents to us considering the complaint:

"The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:

(1) more than six months after the date on which the respondent sent the complainant its final response…"

Zurich hasn't consented to our service considering the issues referred to in the October 2022 final response letter. DISP 2.8.2R(3) says the time limit can be waived if I consider there to have been exceptional circumstances for the delay in Mrs B referring the complaint to our service. DISP 2.8.4G says an example of exceptional circumstances might be where the complainant has been or is incapacitated.

Mrs B continued to correspond with Zurich during the time she could have referred her complaint to us, but she didn't bring the complaint to us until August 2023, around ten months after the date of the final response letter. So I don't consider there were any exceptional circumstances preventing her from bringing that complaint to this service on time. It follows therefore that I won't be able to comment on any of the issues complained about and dealt with in the October 2022 final response.

I can however look at the complaints made and dealt with in the final response letter dated 20 February 2023. This deals with the delays since the previous complaint and poor service from the loss adjusters, as well as the pricing of the policy.

In this final response, Zurich says the £450 offer was due to delays and overall poor service – in particular from 13 October 2022 until 20 February 2023 when new loss adjusters were instructed.

I've looked at what happened during this time and I think this is a fair and reasonable offer. I say this because Mrs B was understandably unhappy with progress – and there does seem to have been a lack of progress despite Mrs B trying to keep in contact with all the parties involved to sort things out quickly. However, I'm pleased to see that the loss adjuster was replaced due to the poor service it had provided. Overall, I think the offer fairly reflects the fact that the impact of Zurich's actions and inaction caused considerable distress and inconvenience to Mrs B over a period of months.

I won't be awarding any more in this complaint, for example for the issues around repairs, as these were not covered in the relevant final response letter. I can see that the repairs and the appointment of Mrs B's own surveyor are mentioned in the February 2023 letter, so these can be looked at under the newer complaint which is with our service.

In terms of the increase in Mrs B's premiums, I've considered this carefully and don't think

it's unfair. The cost of the claim hasn't impacted Mrs B's premiums, as Zurich has confirmed. And there have only been marginal increases over time which I'd expect to see as the market fluctuates and as insurers determine their appetite to certain risks from time to time. There are several factors that can influence the price of a policy – and prices have generally increased across the market.

I can't see that Mrs B has been treated any differently to other customers in a similar situation where a claim has been made, and I haven't seen evidence that she's been left in a position where she will be uninsured, so I don't consider her premium increase to be unreasonable.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 2 July 2024.

Ifrah Malik
Ombudsman