

The complaint

Miss Y complains Zurich Insurance PLC has unfairly declined her buildings insurance claim.

All references to Zurich also include its appointed agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

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 the complaint for these reasons:

- Zurich said the claim has been declined due to poor workmanship when the bathroom was installed. It says the damage caused because of this has happened gradually, which isn't covered under the policy.
- Miss Y's contractor confirmed the bathroom was poorly installed. They've provided an explanation of why the installation was poor – such as referencing incorrect adhesives being used and incorrect piping. This has also been supported by photos taken during strip out and investigative works along with commentary regarding some of the damage.
- One of the photos shows boxing behind the taps which has been opened to show water ingress has caused rot internally. Rot is something that tends to happen over a longer period of time – so I do agree it is more likely than not the damage has been occurring gradually.
- But from reviewing the photos I'm not persuaded this damage would have been visible to Miss Y. I've also not seen evidence that persuades me any issues existed that Miss Y should reasonably have been aware of at the time of purchasing the property - around two months before the incident was reported to Zurich.
- Zurich said it would be evident when getting in or out of the shower that it wasn't sealed correctly. However, from reviewing the photos of the shower, I don't agree. The photos show an area where tiles have been removed, which reference the tray not being sealed, but other photos prior to the tiles being removed, show sealing around this area. So, while there may well have been issues with the installation behind this, which were causing gradual damage, I'm not persuaded Miss Y would have been aware of them.
- Zurich also referenced taps leaking – and water would have been evident on the floor around this area. But it hasn't provided any evidence to support this and I have not seen anything that persuades me this would have been the case.
- Zurich acknowledged it could have handled matters better in how it communicated with Miss Y regarding the claim. Particularly regarding why it needed information it requested from Miss Y and the outcome of the claim. It has offered Miss Y £200

compensation in recognition of this. In reviewing everything available, I think this fairly reflects the inconvenience its actions caused Miss Y, so I do not make a further award here.

Putting things right

To put things right Zurich should:

- Proceed to deal with the claim and cover all insured costs incurred by Miss Y for reinstatement works. Zurich can ask for sufficient proof of these costs if required – such as invoices.
- 8% interest should be included from the date the invoices were paid to the date it makes settlement to Miss Y.
- Pay Miss Y £200 compensation if it has not already done so.

My final decision

My final decision is that I uphold Miss Y's complaint.

To put things right I direct Zurich Insurance to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 10 July 2024.

Michael Baronti
Ombudsman