

The complaint

Miss L complains Zurich Insurance Plc handled her building insurance claim poorly.

What happened

In November 2022 Miss L's leasehold property suffered water damage. She claimed against a Zurich block buildings insurance policy arranged by the property's freeholder.

Zurich accepted the claim. It said it would provide alternative accommodation (AA) for Miss L during repair works. Those couldn't begin until the freeholder's contractors had addressed the cause of the damage. After some back and forth in arranging AA, repairs began in September 2023.

Miss L was unhappy with how long it had taken to progress the claim – and the distress and inconvenience experienced. In October 2023 Zurich issued a complaint response. It accepted it had been too slow arranging a survey of Miss L's property. It acknowledged it should have been quicker to organise AA. In addition it accepted it hadn't done enough to update Miss L on the progress of the claim. It offered her £250 compensation.

Miss L wasn't satisfied with that response. So in December 2023 she referred her complaint to the Financial Ombudsman Service. She was unhappy with the compensation offered as work was still ongoing to her home – and she hadn't been able to return. Zurich then reviewed the complaint again in early February 2023. It increased its compensation offer to £500.

As Miss L didn't accept Zurich's increased offer our Investigator considered her complaint. She felt Zurich had handled the claim poorly, but had already offered enough compensation to recognise any resulting unnecessary distress and inconvenience. She said Zurich's decision not to cover a damaged carpet, under the buildings insurance claim, was fair. Miss L asked that an Ombudsman consider her complaint, so it was passed to me.

After the Investigator had considered the complaint Miss L raised several new complaint points. These were primarily focused on the standard of work by Zurich's contractors. Zurich should be allowed the opportunity to respond to those before this service considers them. So they aren't addressed in this final decision. It is possible Miss L will bring a further complaint to this service. So for clarity I've considered the complaints points she raised prior to Zurich's February 2023 response.

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.

I'm not going to require Zurich to pay Miss L any further compensation. A fair part of her dissatisfaction with Zurich arises from the distress and inconvenience that unfortunately comes with a loss and claim of this nature – such as being required to move into AA. That

didn't happen because of a mistake or poor service from Zurich. So I can't fairly require it to compensate her for those parts of her claim experience.

I can instead require Zurich to compensate Miss L for any unnecessary or additional distress and inconvenience caused by its errors or failures. It accepted, in one of its complaint responses, causing some delay prior to repairs beginning.

Zurich also points out it wasn't responsible for other element of delay – for example the time taken for the freeholder's contractor to repair the source of damage. I've also seen Miss L had specific requirements for her AA. I accept that was necessary due to her circumstances. But unfortunately it made it difficult to source something suitable.

Finally on this point I haven't seen anything to persuade me Zurich was responsible for avoidable delay during the repair works. So overall I'm satisfied the compensation its already offered is a fair amount to recognise the impact of any delay it caused.

I've considered a few other complaint points raised by Miss L prior to Zurich's February 2023 response. Its decision not to cover damage to carpets or curtains is fair. Those items aren't covered by the buildings insurance policy. Zurich said, in response to her concern about broken tiles, it would speak to its contractor about replacement. That seems reasonable. And Zurich's said removal costs Miss L's able to evidence will be covered by the claim. That's a fair position.

Finally it's not clear if Zurich agreed to Miss L's request that it replace a door lock. She said she's concerned as contractors had keys. Zurich said all keys will have been returned. I've no reason to believe they haven't. So if Zurich has declined that request I can't say it would be an unfair or unreasonable decision.

My final decision

For the reasons given above Zurich Insurance Plc must pay, if it hasn't already, Miss L £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 8 May 2024.

Daniel Martin
Ombudsman