

## **The complaint**

Miss K complains that Zurich Insurance PLC has unfairly handled a claim under her home insurance policy.

Where I refer to Zurich, this includes the actions of its agents and claims handlers for which it takes responsibility.

Whilst I'm aware Miss K is represented by a loss assessor, for ease of reading, I'll refer to all submissions having been made by Miss K directly.

## **What happened**

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

In July 2022, Miss K's property suffered water damage as a result of a leak in the flat two floors above. She made a claim on her policy which Zurich accepted.

Miss K tells us that it was agreed between Zurich's loss adjuster and her loss assessor that her wooden flooring had been damaged / compromised, and that it would be fully reinstated. But in July 2023, Zurich reneged on that agreement. She raised a complaint about this and Zurich's refusal to put her designer furniture in storage whilst repair works are ongoing.

Zurich has said its loss adjuster and independent expert didn't agree the floor was damaged. It acknowledged the floor had gotten wet, but all readings confirmed the floor had dried and didn't warrant replacement. It offered to send an independent flooring specialist to carry out a further inspection. It said the furniture could be stored in Miss K's bedroom as no remedial works were required in there. It did, however, offer £500 compensation for the time taken in progressing the claim although it didn't take responsibility for all delays.

Miss K remained unhappy, so she brought her complaint to our service. But our Investigator was satisfied Zurich had acted in line with the policy terms and fairly, so she didn't think it needed to do anything more.

As Miss K didn't agree, the complaint has been 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.

I'd like to reassure Miss K that whilst I may have condensed what she's told us in far less detail and in my own words, I've read and considered all her submissions. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point

individually, or possibly in the level of detail she'd like, in order to reach my decision. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

### *Damaged flooring*

It's not in dispute that Miss K's claim for escape of water is covered by the terms and conditions of her policy. As such, any associated damage arising from the insured peril should be rectified to put Miss K's property back in the position it was in prior to the loss. I've looked at the available evidence to determine whether Miss K's floor is damaged.

Zurich's loss adjuster first attended Miss K's property in August 2022. I've been provided with a copy of this report which sets out the damage as follows:

*"Front door, the architrave of the bathroom door and bedroom door have been affected. Whilst on site, the assessor advised there were high moisture readings to the hallway flooring. During our inspection, we were unable to see any damage to the flooring and have arranged for [damage assessor] to attend and report back to us. The walls and ceiling of the hallway have been stained by water and redecoration of these areas will be required."*

Zurich arranged for a damage assessor / restoration specialist – who I'll refer to as 'B' – to attend the property. I've been provided with their restoration survey report dated in September 2022 which says:

*"No drying required. Plasterboard to be removed from ceiling and affected walls around front door and bathroom door. Minor staining/Marks on bedroom carpet. Wooden flooring in hall got wet but all readings are now satisfactory, [Miss K] informs me the flooring has started to show minor gaps but I cannot comment on this as I did not see flooring before incident."*

Miss K arranged for her own restoration specialist – who I'll refer to as 'R' – to inspect the property. I've been provided with a copy of the report dated in October 2022 which says:

#### *"General:*

*The property is reading dry on all surface areas. But will need to take in depth readings once the floor coverings have been stripped out as requested. The Engineered wood floor in the hallway runs through to an open plan kitchen/lounge with no door bars, the floor area is 26.46 sqm but no damage. In the bathroom is all dry but here is damage to the door and frame which will need to be addressed by the builders on reinstatement.*

#### *Hallway:*

*A small section of water damaged engineered wood floor will need to be removed as it is bowing / cupping and also to take in depth readings from the concrete base. If the slab is retaining moisture then a further estimate will be produced for drying."*

Zurich provided a copy of R's report to B for consideration and the following comments were provided:

*"As per my report and the independent report all surface readings are reading dry, therefore no drying required at this time. The wooden flooring is showing minor signs of water damage therefore if it requires removing further readings can be taken of sub floor to confirm dry."*

Following this, Zurich's loss adjuster emailed Miss K (via her loss assessor) on 9 November 2022 stating:

*"I have now received a response from [B] and they are in agreement with the contents of the report.*

*Therefore, please can you forward me costs for reinstatement of the affected areas for consideration."*

Due to Miss K being abroad, she informed the loss adjusters that she'd have the works carried out in the Spring of 2023 and that she'll be in touch nearer that time with the reinstatement costs.

In June 2023, Miss K returned with a quote for repairs. To install wooden flooring throughout the property (hallway and kitchen / lounge area), the cost amounted to almost £20,000.

Zurich's loss adjusters arranged to reattend the property later that month. And they said there was *"no noticeable damage to the flooring and it still remains unclear to see if it would need to be removed to facilitate a drying program"*.

Zurich suggested that it instruct a mitigation team to establish if the flooring requires removal and/or if its damaged. And when this was rejected by Miss K, it suggested an independent flooring consultant should attend.

I appreciate Miss K believes that Zurich initially approved cover for a replacement wooden floor and has now reneged on that. But I don't agree.

Both the loss adjuster and B were clear that they didn't think the wooden floor was damaged. But when presented by a report from R, which said a small section of flooring was bowing and should be removed so that further readings could be taken, Zurich agreed.

R's report did not state the floor was damaged to the point of needing to be fully replaced. It made no comment on whether a repair could be done, or if it was possible to replace the small area of damage only. So I'm not persuaded that, when Zurich emailed Miss K on 9 November 2022 saying it agreed with the report, it was agreeing to cover the reinstatement costs for a full replacement floor.

R's report set out several areas of work which should be carried out, including damage to the ceilings, doors, door frames and skirting board. As such, when Zurich was asking for *"costs for reinstatement of the affected areas"*, I'm not persuaded it was referring to the flooring.

It seems to me that the outstanding work is to remove a small area of the flooring to obtain moisture readings. Given the amount of time that's passed since the escape of water, I'm persuaded the best way forward is for Miss K and Zurich to arrange for a joint expert report from an independent flooring specialist to assess whether the floor is damaged and to what extent it should be repaired or replaced to put Miss K's property back in its pre-loss condition.

#### *Storage of furniture*

The question of whether Miss K's furniture should be moved into storage during the remedial works depends heavily on what work is required to be done. So the outcome of the independent flooring specialist's report needs to be known.

If it's agreed the wooden floor needs replacing throughout the whole property, I see no reason why the furniture can't be moved into the bedroom. Zurich has already said that if

Miss K isn't abroad during the remedial works, it will consider paying for her alternative accommodation so that furniture can be moved into other rooms of the property without it impacting her. I think this is a reasonable stance to take on the face of it.

This doesn't prevent Miss K from paying for storage herself if she's concerned about her furniture during the repair works.

### *Claim handling*

This claim has been open for some time now and I agree this could've been progressed quicker between July 2022 and November 2022. Not much happened on the claim between November 2022 and June 2023, but this appears to be as a result of Miss K being abroad so I can't fairly hold Zurich responsible for that.

Overall, I'm satisfied the £500 compensation offered by Zurich fairly reflects the slow progress over the first four months of the claim. And I'm not persuaded it needs to do anything more to put things right.

### **Putting things right**

Zurich and Miss K should agree on an independent floor specialist to carry out an inspection of the property. They should agree joint instructions to the specialist and both loss adjuster and loss assessor should be present during the visit. The specialist should comment on both whether the floor is damaged and to what extent it needs to be repaired or replaced.

Zurich must pay £500 compensation for the delays in progressing the claim, if it hasn't already done so.

### **My final decision**

Zurich Insurance PLC has already made an offer to pay for an independent report and £500 compensation to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that Zurich Insurance PLC should pay for an independent report and £500 compensation in line with my instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 20 August 2024.

Sheryl Sibley  
**Ombudsman**