

The complaint

Mr G complains about how Zurich Insurance PLC (Zurich) has handled the repairs to his property under the Real Estate Insurance policy.

What happened

The background of the complaint is well known to both parties, so I've summarised the key points below:

- Following a leak in the property above Mr G's. Mr G was unhappy with the length of time Zurich's contractors took to complete the work – and when they did, he says the standard of work was poor and further damage had been caused
- Mr G says his tenant had to return to the property with snagging issues still outstanding which he had the inconvenience of having to arrange his own contractor to rectify, and then claim for the costs from Zurich
- Zurich upheld Mr G's complaint and offered £350 compensation for the distress and inconvenience caused. It accepted that its contractor had conducted a low-quality standard of repairs with many mistakes and additional damage caused. It acknowledged that Mr G's tenant was vulnerable and that he had to manage their demands and expectations whilst having to chase up Zurich for answers as to how the issues were to be rectified
- Additionally, Zurich accepted Mr G had been inconvenienced by needing to arrange his own contractor and that communication on the progress of the claim should've been better
- When the complaint was referred to this Service, Zurich made a further offer to Mr G to resolve the complaint – It said Mr G had received settlement for the snagging issues and that the repair or replacement of the sink had been arranged, but it proposed to increase the compensation from £350 to £500
- Mr G rejected the offer, so our Investigator investigated the matter and provided his opinion on the complaint. He agreed that £500 was fair
- Mr G disagreed so the complaint has been passed to me, an Ombudsman, to make a final 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.

It isn't in dispute that Zurich have poorly handled the repairs following a claim made on the policy. What is in dispute is the amount of compensation that has been offered for the distress and inconvenience caused.

I can see from the information provided that the repairs did take a long time to complete, and the standard of repairs were poor. In addition, Mr G's tenant was vulnerable she was having

to cope with all the delays and poor works whilst pregnant, had other health conditions and had young children at the property.

Whilst I can appreciate the tenant has suffered distress and inconvenience for the poor handling of the claim, this Service can't award compensation for this. We can only consider the impact to the customer of the policy and that is Mr G in this case. So, any compensation I award is only intended to compensate Mr G for the impact caused to him.

I can see that the circumstances of this claim undoubtedly caused Mr G distress and inconvenience as it was clear he was being put in a difficult position being the 'go between', for his tenant and the insurer and I can see he was trying to arrange the works to be completed as soon as possible for his vulnerable tenant.

In addition, although it was agreed that the Insurer's contractor wouldn't return, that meant Mr G had to arrange to get the snagging works completed. Mr G wouldn't have been put in this position if the claim had been handled effectively and efficiently. But I agree with our Investigator that the £500 compensation offered by Zurich is fair and reasonable in the circumstances of this complaint and is in line with what I would've directed it to have done if it hadn't made the offer.

My final decision

Zurich Insurance PLC has already made an offer to pay £500 to settle the complaint and I think the offer is fair in the circumstances.

So, my decision is that Zurich Insurance PLC should pay £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 October 2024.

Angela Casey
Ombudsman