

The complaint

Ms A complains about Zurich Insurance Company Limited's handling of her buildings insurance claim.

All references to Zurich also include its appointed agents.

What happened

The below is intended to be a summary of the complaint, therefore it doesn't detail every point or comment that has been made.

- Ms A made a claim in August 2023 due to damage to her floor caused by a leaking radiator.
- Zurich appointed a contractor to carry out work at the property, however Ms A wasn't satisfied with the quality of these works. Zurich said its contractor returned to the property to deal with snagging issues.
- However following this Ms A has raised issues such as the floor not being level, the floor containing gaps and chips, paint splashes on items in the property and dust sheets not being placed on the furniture. Ms A says the dust on the sofa has affected her health condition.
- Ms A didn't want the contractors to return to the property and Zurich have since proceeded to offer a cash settlement to Ms A. Ms A feels the amount offered isn't enough. She is also unhappy with the lack of communication and service she's received from Zurich, she said she had to chase Zurich for responses and wasn't happy with the way it had handled her claim.
- Ms A has also highlighted several issues that remain outstanding and unresolved such as paint damage to her TV. She has also provided further detail to our service of the impact Zurich's handling of the claim has had on her health and the stress it caused her.
- In its final response, Zurich accepted the communication and service it provided to Ms A could've been better and offered £250 compensation in recognition of this.
- Zurich later revised its cash settlement to a value of around £5,252 for the flooring to be redone. However, Ms A said she also seeks the cost of labour and removal of existing material to be covered.

Our investigator recommended the complaint be upheld.

To put things right she recommended Zurich should consider reasonable costs from Ms A for the material to cover the flooring area and this would need to include the cost of labour.

She recommended Zurich consider any reasonable costs Ms A incurred for rectifying the highlighted snagging issues and pay Ms A £500 for the distress and inconvenience its actions have caused.

Zurich said its offer to Ms A factored in labour costs. It said it had reviewed a quote submitted by Ms A but didn't agree the labour costs provided were reasonable.

Ms A has provided further comments and submissions following our investigator's view for me to consider. This includes a submission where Ms A has set out her expectations:

- Ms A wants to be reimbursed for the difference in material costs
- Ms A wants to be reimbursed for the cost of labour she has been quoted – which includes refitting the floor and the removal and disposal of existing material.
- Compensation for stress and inconvenience
- Compensation for snagging and unresolved issues

The complaint has now passed to me.

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 understand Ms A feels strongly about what has happened, and I want to assure her I've read and considered everything she's said carefully. However, my findings focus on what I consider to be the central issues, and not all the points raised. This isn't intended to be a discourtesy. The purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. My role is to consider the evidence presented by Ms A and by Zurich and reach what I think is a fair and reasonable decision based on the facts of the case.

Having done so, I uphold the complaint for these reasons:

- Zurich have revised its offer for the material cost of the flooring, which it said had been calculated incorrectly and should be based on an area of around 55m² – which is the area size also mentioned by Ms A. Based on what I've seen, I don't think this is unreasonable – and I can see Ms A has said she reluctantly accepts the revised offer for the material.
- However, Zurich have agreed to cash settle the claim. This is following issues raised by Ms A regarding the flooring on more than occasion. While Zurich said it attended the property and rectified these issues and referenced photographs and reports from its contractor in its responses, it hasn't provided these to our service.
- As such I'm not persuaded the issues highlighted by Ms A have been rectified. So, I think it's fair Zurich should consider the reasonable cost to Ms A when making a cash settlement. This should include all reasonable costs – including materials, labour and the removal of the existing material.
- I acknowledge some time has passed since Ms A obtained a quote, so therefore updated costs might be required. However, I will add here that it isn't unreasonable for Zurich allowed to ask for up to three quotes if it so requires, to be able to validate and assess reasonable costs.
- Zurich also says it resolved the other snagging issues at the property, but again, I haven't seen any information, such as reports or photos, that persuade me this is the case.
- Ms A says she has since appointed her own contractor to deal with some of the snagging issues Zurich hadn't corrected. Zurich should consider any suitable evidence Ms A provides Ms A of these costs, such as invoices, and reimburse any reasonable costs to her.
- Zurich acknowledged it has caused delays and provided poor service to Ms A. It has offered Ms A £250 compensation to recognise its errors.

- I think the compensation offered fairly reflects the inconvenience caused by Zurich's poor communication and the lack of resolution for the issues Ms A had highlighted at her property.
- However, I also consider the additional distress caused by Zurich's actions. Ms A has provided detail about the impact on her health condition by dust in the property after the contractors had attended.
- Ms A has also spoken of the impact of being in hospital and still having to try to resolve matters with Zurich.
- I also note Ms A's further comments here regarding other health issues. While I do think Zurich's actions would have caused distress and inconvenience at a difficult time for Ms A, I have not seen anything that directly links these and Zurich's actions so I will not be factoring this into a compensation award.
- I acknowledge one of the unresolved issues in question was the sofa, which Ms A said she has now replaced. I agree its not reasonable to ask Zurich to pay for the cost of replacing the sofa (and I can see Ms A has comment she didn't expect this). However, I can confirm I have thought about this in my consideration of compensation for distress and inconvenience.
- Having considered what I've set out above, I think the £500 compensation recommended by our investigator fairly reflects the distress and inconvenience caused by Zurich's actions.

Putting things right

To put things right Zurich should:

- Provide a cash settlement for the replacement of the flooring. This should include all reasonable costs including materials, disposal and labour costs. Zurich can request Ms A provide up to three quotes should it wish to consider reasonable costs.
- Reimburse Ms A for reasonable costs of rectifying snagging issues highlighted at the property. Zurich can request evidence of this, such as invoices should it require it.
- 8% simple interest should be applied to any payment Zurich makes to Ms A for rectifying the snagging issues. This should be from the date Ms A paid the invoice to the date Zurich pays the money to Ms A.
- Pay Ms A £500 compensation for the distress and inconvenience caused.

My final decision

My final decision is that I uphold Ms A's complaint.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 6 November 2024.

Michael Baronti
Ombudsman