

The complaint

Mr S and Mrs S have complained about Zurich's handling of a claim they made under their buildings and contents insurance policy.

What happened

The background to this complaint is well known to the parties. In summary Mr and Mrs S had some issues with damp at their home so a builder investigated the issue and took up some floorboards under the stairs. Damp was found so they waited to see if it cleared but overnight there was a severe rainstorm. The next day they found two centimetres of water in the understairs area. Mr and Mrs S then raised a claim with Zurich, who in turn sent out an assessor.

The assessor investigated and found the issue was down to a BT manhole outside the property which was prone to overflowing. Mr and Mrs S were advised to contact BT and the water company. Mr and Mrs S were unhappy with the assessor's report – they didn't feel that it did enough to identify the cause of water seeping and flooding into the property.

Zurich issued a final response to the complaint. It said such as the issue was most likely being caused from the BT box located on the public footpath. As this didn't form part of Mr and Mrs S' property, they were not liable for the potential repairs. This in turn meant that the issue including any survey of the area could not be dealt with under their insurance policy.

Zurich noted that BT had confirmed that they were arranging to undertake investigations to determine what was causing the problem. Zurich said that because Mr and Mrs S' policy had accidental damage cover it would deal with the resultant damage to their property but before this the source of the problem needed to be established.

Unhappy with this response Mr and Mrs S referred the matter to our Service. Our investigator didn't recommend that it be upheld. He didn't find Zurich had made any errors to the date of its final response to Mr and Mrs S.

Mr S appealed. He said that having followed up the issue with BT nothing had been proven to show they were at fault. He said that the assumption that BT was at fault would not stand up in court. He felt that the approach taken by our service was biased to side with Zurich.

As no agreement has been reached the matter has been passed to me to determine.

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 Mr and Mrs S that whilst I've summarised the background to this complaint, I've carefully considered all that's been said and sent to us. In this decision though I haven't commented on each point, rather I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of

our service as a free alternative to the courts. Having done so I agree with the conclusion reached by our investigator for the following reasons:

- Firstly I'd like to say that I can understand how very frustrating this matter is for Mr and Mrs S. There is clearly a damp issue affecting their home and understandably they want the matter resolved. But as our investigator explained our consideration of this complaint does not extend past Zurich's final response dated 29 August 2024.
- When the claim was made in June 2024 Zurich appointed an assessor to report. I find that was the right action to take. The assessor's view (which I understand accorded with Mr S' at the time) was that the issue was most likely caused by the BT box on the footpath outside Mr and Mrs S' house. So Zurich explained that Mr and Mrs S were not liable for potential repairs in an area not forming part of their private property. In turn such repairs could not be dealt with under their insurance policy.
- But at this time BT (or Open Reach) had confirmed they were arranging to undertake investigations to determine the cause of the problem. Additionally Zurich pointed out that during the assessor's visit a survey of the drains wasn't undertaken and it felt this should be done. So I don't find it was unreasonable for Zurich to say these investigations would allow it to definitively establish if there were any issues which were causing or contributing to the damp at Mr and Mrs S' home.
- I have seen evidence that following BT's investigation it wasn't able to conclude that it was liable for the damage to Mr and Mrs S' property. And also evidence that there was no issue identified during the drains survey. But this evidence came after Zurich issued its final response.
- The relevant regulations say that insurers must handle claims promptly and fairly and mustn't unreasonably reject claim. I don't find that Zurich's actions were unreasonable to the date of its final response in August 2024. I recognise that this does not mark the end of the matter for Mr and Mrs S but they can refer their claim back to Zurich with any further evidence obtained. Zurich should deal with the matter promptly.

My final decision

For the reasons given above my final decision is that I don't hold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 15 May 2025.

Lindsey Woloski
Ombudsman