

The complaint

Mr and Mrs R complain about various aspects of Zurich Insurance PLC's ('Zurich') handling of a claim made on their buildings insurance policy.

References to Zurich include its agents.

What happened

The events of this claim will be well known to both parties, so I will only briefly summarise what happened here.

In January 2023, Mr and Mrs R contacted Zurich to make a claim on their home insurance policy after their flat suffered damage from water ingress.

Zurich investigated the claim, and following its investigations it accepted the claim in February 2023 under the storm damage peril. After the roof of the building was repaired in June 2023, Zurich began carrying out repairs to Mr and Mrs R's flat.

Over the course of the months that followed, Mr and Mrs R made several complaints about issues including delays, poor communication, alternative accommodation, and the quality of repair work.

Zurich consolidated its responses to these complaints within three final responses. I'll summarise these below:

- On 21 February 2024, it provided a final response to a complaint about the quality of repair work, contractors not arriving to start work on the date Mr and Mrs R were told, and a delay in arranging alternative accommodation. Zurich upheld this complaint and agreed to pay £1,000 compensation.
- On 7 May 2024, it provided a final response to a complaint about a missed appointment, alternative accommodation, communication issues and delays in carrying out repair work. Zurich upheld this complaint, but it didn't provide any compensation at this time – instead saying it would defer doing so until after the claim was finalised.
- On 3 October 2024, it provided a final response to a complaint about delays, snagging issues and contractors failing to attend. Zurich upheld this complaint and in recognition of the issues, and those addressed in its previous final response, it agreed to pay a further £1,000 compensation for the distress and inconvenience caused.

In addition to Zurich's final responses, one of its contractors directly responded to a complaint on 18 April 2024 about passing information on to third parties, booking the wrong type of room at a hotel used as alternative accommodation, and CCTV recording at a self-catering property. It offered £75 compensation for this. But Zurich said in its final response of 7 May 2024, it didn't think the £75 compensation its contractor had offered was

enough, so it would include the issues which this contractor addressed in the compensation payment it would decide on finalisation of the claim.

Our investigator acknowledged there were issues with Zurich's handling of the claim, but he thought the £2,000 compensation it agreed to pay was reasonable and in line with our award levels.

Mr R didn't agree. In summary, he said Zurich's handling of the claim had caused significant disruption to his and Mrs R's daily life, as well as having an impact on their physical and mental well-being over the course of several months. So, for the impact caused, Mr R did not think the total compensation Zurich had agreed to was fair or consistent with our award levels.

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.

Having done so, while I understand Mr and Mrs R will be disappointed by this, I think Zurich has already provided a fair and reasonable response to this complaint. So, I won't be asking it to do anything more. I'll explain why.

I should start by saying while I've read and considered everything Zurich and Mr and Mrs R have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

I understand that since bringing this complaint to us in October 2024, Mr and Mrs R have made another complaint and I can see Zurich has provided another final response on 6 May 2025. I won't be making any findings on that here since this was a new complaint which followed on from this complaint being brought to us and as such will be considered separately.

I've considered the events complained about following the claim being notified to Zurich up to Zurich's final response of 3 October 2024. Although the complaint was referred to us more than six months after the final response Zurich sent on 21 February 2024, Zurich has consented to us considering the issues which were addressed in this final response.

Zurich didn't dispute this claim could have been handled better and it agreed to pay a total of £2,000 compensation for the distress and inconvenience which this caused. But Mr and Mrs R didn't think this amount fairly reflected the impact to them of the issues throughout the claim. So, I've considered if the amount is fair and reasonable for the impact caused by the issues on the claim between the dates I mentioned above.

Mr R said he initially accepted £1,000 compensation for the issues addressed in the 21 February 2024 final response but he didn't anticipate further issues after this. And when considering the overall impact, he didn't think the additional £1,000 Zurich offered to pay in the 3 October 2024 final response was fair. I can understand Mr R's disappointment and frustration that there continued to be issues on the claim after the first final response.

Mr and Mrs R's home suffered serious damage and to put things right their claim needed to be investigated to establish if the loss was covered under the terms of the policy, the roof of their building needed to be repaired – requiring the consent of other leaseholders, and their

property needed to be dried and restored. This would have taken some time, and caused some disruption, even if Zurich had handled the claim fairly throughout.

I can't hold Zurich at fault for the inevitable disruption which would have resulted from the loss itself. This Service also doesn't have powers, or seek to, fine or punish businesses when something has gone wrong. But Zurich should have handled the claim in a fair and reasonable way, and if it didn't, I can award compensation for distress and inconvenience caused to Mr and Mrs R. I've looked at the timeline of events on the claim, and I've considered Mr R's comments about the impact the claim has had on him and Mrs R.

After the claim was initially reported, Zurich had some concerns about whether the damage was caused by storm. It investigated the claim for around one month before deciding to accept it. I don't think these initial investigations were unusual or unfair, and I think the timescale Zurich carried them out within was reasonable.

Once Zurich decided to accept the claim, the next step was for the roof to be repaired. I think this unavoidably delayed the claim because the repair of the roof would have been necessary before restoration work could begin on Mr and Mrs R's flat to avoid the risk of further damage. The roof itself was shared with other flats who had a share of the freehold, and so Zurich wasn't solely responsible for putting right the damage to the roof and couldn't unilaterally authorise and carry out repairs to the roof. Instead, Zurich was responsible for paying a portion of the total cost of repairing the roof. And I think it agreed to pay its share within a reasonable time and didn't cause a delay in having the roof repaired.

Unfortunately, it took several months for it to be agreed between the other flats for the roof repairs to proceed and I understand this work began in June 2023.

Following the roof repair, Mr and Mrs R's flat would have needed to be dried and for restoration works to be carried out. Arranging and carrying this out was within Zurich's control. And having considered the evidence, including Zurich's claim notes, and Mr R's comments, I think the claim was handled poorly following the repair of the roof and that there were significant delays.

The drying of the property was delayed, which Zurich said it couldn't do until October 2023. But I don't think it's clear why this couldn't have started closer to when the roof was repaired, so I think this likely was an avoidable delay.

Mr and Mrs R remained in the property until December 2023, when they then moved into alternative accommodation. Zurich never secured long-term alternative accommodation which Mr and Mrs R could stay in for the duration of the repairs. I think this was because Zurich didn't expect the repairs to take as long as they did. But once it became clear that the claim was suffering delays, I think Zurich should have looked to secure alternative accommodation which didn't have short term booking restrictions that exposed Mr and Mrs R to having to move to different places. Had Zurich done this, I think that would have significantly lessened the distress and inconvenience to Mr and Mrs R of being away from their home. I acknowledge because Mr and Mrs R were taking their dog with them, this limited the options of alternative accommodation, but I'm not persuaded it was unavoidable for Mr and Mrs R to have to move alternative accommodation several times.

I think Mr and Mrs R were caused a lot of distress and inconvenience by this. Added to by them having to chase Zurich for extensions to bookings, and new arrangements being made close to when existing bookings were coming to an end.

I also think there were significant delays on the claim, which extended the length of time Mr and Mrs R couldn't live in their home. Between June 2023 and December 2023, little

progress seemed to have been made in restoring the property, and after this, I think problems continued as issues arose with contractors pulling out, missing visits, and with the quality of the repair work. I think this caused further distress and inconvenience to Mr and Mrs R.

I've also considered Mr and Mrs R's personal circumstances. Mr R has explained the impact to his health and wellbeing the claim had on him, and I can see from the claim notes he made Zurich aware of his health situation.

When considering if the £2,000 compensation Zurich agreed to is fair, I haven't broken Mr and Mrs R's complaint down into individual stages in the way Mr R has. I've considered all the events which were complained about as a whole, and I've considered if the total amount is fair and reasonable to put right the distress and inconvenience Zurich caused by the parts of the claim which were handled unfairly.

I acknowledge Mr and Mrs R have read and referred to the examples on our website of different awards we make for distress and inconvenience. But as the website says, these are just examples to show the range of awards we might make and the amount we will award will depend on the individual circumstances of the complaint.

There's no dispute the claim could have been handled better – there were delays, issues with how the alternative accommodation was handled, the quality of repairs, and the service from repair contractors. And I sympathise with the effect that's had on Mr and Mrs R - particularly since problems continued even after their original complaint.

But, in total Zurich agreed to pay £2,000 compensation for this complaint - which is an amount that sits at the higher end of the awards we'd make for distress and inconvenience. And in the circumstances, I find this amount to be fair and reasonable for the distress and inconvenience which Zurich caused Mr and Mrs R through its handling of the claim. So, I find that Zurich has already provided a fair and reasonable response to the complaint.

My final decision

I think Zurich Insurance PLC has already offered to resolve this complaint in a fair and reasonable way. So, my final decision is that Zurich Insurance Company PLC should pay Mr and Mrs R £2,000 compensation. Zurich Insurance Company PLC may deduct from this any compensation amount which it has already paid to Mr and Mrs R for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 13 June 2025.

Daniel Tinkler
Ombudsman