

The complaint

Mr M complained that Zurich Insurance Company Ltd (“Zurich”) unreasonably declined his claim for the cost of emergency works following the report of a gas leak. Zurich were providing a home insurance “block” policy.

What happened

Mr M’s local gas distribution company issued a safety warning after a gas leak was identified at his block of apartments. It was suspected that the leak was originating specifically within Mr M’s apartment.

Mr M appointed a joiner to dismantle his kitchen and a gas safe engineer to try and find the leak. As the origin of the leak couldn’t be found, the engineer terminated the current existing gas line into Mr M’s flat and put in a new one, which stopped the leak and resolved the situation.

Mr M made a claim to Zurich to cover the costs he incurred (around £1,800). However, Zurich declined the claim as it said the circumstances weren’t covered by the policy. Mr M is unhappy as he said the policy is clear that it covers the “peril of explosion”, so he wants Zurich to settle his claim.

Our investigator decided not to uphold the complaint. She said there was no explosion, so Mr M couldn’t claim under this peril. As there was no other allowance in the policy where Mr M could claim, she thought Zurich had been fair to decline the claim. Mr M disagreed, so the case has been referred to an ombudsman.

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.

As Mr M seems to be aware most insurance policies don’t cover every eventuality, doing so would be very expensive for consumers. Insurers generally offer policies covering certain incidents or perils (e.g., flood, fire, theft etc) and insurers limit liability by putting caps on the amount they must pay out or add exclusions for things that aren’t covered.

Mr M is clear in his complaint that he thinks his claim should be covered under the “*peril of explosion*”. Mr M has looked up the dictionary definition of peril and has explained it means “*serious and imminent danger*”. He thinks his claim should be settled as his actions were taken in an emergency to prevent a potential explosion. He said covering this type of incident is in both insurers’ and individuals’ interests, as it incentivises insurers to reduce costs (as damage following an explosion could be severe) and it keeps individuals safe.

I agree with Mr M’s sentiments, we want people to act in the right way. In the same way as Mr M’s local gas network ensured the gas escape didn’t turn into a major incident. However, this doesn’t mean the insurance policy does cover Mr M for these costs.

Having checked the insurance policy, the policy does cover explosion. However, insurance

policies are there to cover damage caused by insured perils. Within the insurance industry it is common practice for insurers to settle claims where damage has occurred, i.e., damage caused by a flood, by fire or by explosion.

As no explosion has occurred, fortunately no damage been experienced. Therefore, I wouldn't expect Zurich to cover something that hasn't happened. I appreciate Mr M has incurred costs repairing his gas leak. However, this is essentially cost Mr M has incurred on the maintenance of his property, which is his responsibility. It's no different to Mr M incurring costs fixing a leak in his property, or ensuring his bathroom is properly sealed.

I appreciate there was an "emergency" nature to this event, but as no damage has occurred, I can't see where Mr M could claim for his costs under the policy. I've also checked if Mr M has Emergency cover, as some policies will cover emergency repairs. Mr M doesn't have specific home emergency cover with this policy. Therefore, I think Zurich has been fair in not settling the claim. So, whilst I know this will be disappointing for Mr M, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require Zurich Insurance Company Ltd to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 May 2025.

Pete Averill
Ombudsman