

## The complaint

F, a company with charitable status, complains that Zurich Insurance Company Ltd failed to provide appropriate advice about its business protection insurance and provided a policy that left it without adequate cover.

## What happened

There is a long history to this matter, the details of which are familiar to both parties. I will set out a summary of the key events here:

- F took out insurance with Zurich which included cover for property damage, business interruption and public liability. In October 2022 Zurich contacted F about the upcoming renewal of the policy and asked F to confirm some information for the proposed renewal.
- In January 2023 F said it was about to have some renovation work done on one of its properties. F said it had noticed 'Works in Progress - All Risks' wasn't included in the proposed schedule and asked if this could be added. Zurich sent a proposed schedule in March which included Works in Progress cover, with an additional premium to be charged for this.
- F said the contractor doing the building work had contractor's all risks cover; it assumed it wasn't covered by the contractor's policy but would be grateful for an explanation. Zurich said the building was covered by the policy, but not if there was construction work being done; the contractor's liability cover might be relevant if they were negligent whereas Works in Progress cover would be relevant if the building needed to be reinstated for another reason.
- In May 2023 F advised the work was likely to overrun, and there was correspondence about extending the cover. In July, F said the building work had paused until agreement was reached for the final stage of the work. There was further correspondence about when the work would resume. An updated schedule was issued with the Works in Progress cover removed, but a with new endorsement for Material Damage included.
- Work resumed on 30 October 2023 and there was correspondence between F and Zurich about the amended contract between F and the contractor.
- In January 2024 F told Zurich it had stopped using the building and would not return until it was completed and handed back to them. F asked about additional cover. Zurich said it couldn't determine that for them as it wasn't giving advice.
- F then said it didn't need further cover because it wasn't using the building and the works would be covered by the contractor's all risks policy. Zurich asked F to clarify the value and completion date, but then said it would finalise the renewal first (another renewal now being due), then implement the Works in Progress changes
- F later told Zurich the contractor had left site without completing all the work properly and it would be out of pocket as a result, as it was unlikely it would be able to pursue the contractor for the costs involved. F asked if the insurance would cover anything

but Zurich said the cover was for damage caused during the works taking place, not for unfinished work.

- F complained that it had been left without suitable cover as a result of Zurich failing to advise properly. In response to the complaint, Zurich said this was not an advised sale and it was F's responsibility to check the cover provided.
- When F referred the complaint to this Service, our investigator said Zurich hadn't recommended the cover and there was nothing in the correspondence to show Zurich was providing advice. F disagrees and has requested an ombudsman's 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.

In making my decision I need to consider what's fair and reasonable in all the circumstances of the case, taking into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the time.

As mentioned above, this matter has been ongoing for some time. We have received extensive comments and documents from the parties. I have summarised the key events above and won't comment in detail on everything that's been raised, but will focus on the key points that are relevant to the outcome I've reached. This is in line with our role, which is to provide an impartial review, quickly and with minimal formality. I use my judgement to decide what's fair, based on the main crux of a case.

Having considered everything carefully, I am not upholding the complaint. I appreciate this will be upsetting for F, in view of the loss it says has been caused, but I don't think Zurich is responsible, for the following reasons:

- This wasn't an advised sale, so Zurich did not have a duty to check the policy was appropriate for F's needs and ensure the suitability of its advice.
- Under the industry rules, Zurich's duty was to give its customer the information needed at the right time and in a way they could understand, so they could make a decision about whether to take out the insurance. The information needed to be clear, fair and not misleading.
- No insurance policy will cover every risk that may result in a policyholder suffering financial loss. It's for insurers to decide what risks they want to accept and they will consider this when deciding whether to offer a policy, and how much to charge for it. When deciding this, insurers will request information from the customer to enable them to assess the risk.
- F says it provided information as required by Zurich, and expected Zurich to identify and recommend insurance cover for its needs based on that information. Zurich did ask for information – but that was so it could assess the risk and decide what cover it was willing to offer (and what to charge for it). In order to decide whether it was willing to offer insurance, Zurich needed to understand what it was being asked to cover. That doesn't mean it was giving advice or making a recommendation.
- This was explained in the policy schedule sent to F, which included the following statement:

*"This is important information, please read it carefully and check that the facts given about you are correct and that we have included all the covers that you require."*

*Covers are the elements that make up your policy and are shown in Section 4 of this document. We are unable to give you advice so it is your responsibility to check the cover is correct for your organisation.”*

- F also says the way the matter was handled led it to believe Zurich was making recommendations – Zurich held itself out as being capable of providing advice and gave F no reason to think it wasn't able to do this. I've reviewed the correspondence but I don't think Zurich gave such an assurance. It did on occasions provide some explanation of the policy, but I don't think giving information about what the policy would cover amounted to giving advice.
- As I've said, Zurich sent the proposed schedule, which included a clear warning that advice was not being given. And Zurich confirmed this again in correspondence. I don't think Zurich led F to think it was being given advice but even if F had thought that, Zurich confirmed in March 2024 it couldn't give advice. So F knew at that point it was not being advised and, if it wanted advice, could have sought that.
- Zurich is an insurer, not a broker. It doesn't given advice in the same way as a broker – who might review the market to see which products are available and then advise their client as to what insurance is suitable for them. If F had wanted advice, it could have approached a broker for this.
- The policy documents set out what cover is provided. I'm satisfied the information Zurich provided was clear, fair and not misleading. It was for F to review that information and decide whether it wanted to proceed, or look elsewhere if it wasn't happy with the policy – seeking advice if it needed that.

### **My final decision**

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 2 December 2025.

Peter Whiteley  
**Ombudsman**