

The complaint

Ms L and Mr O think are unhappy with the handling of their claim by Zurich Insurance Company Ltd (“Zurich”) under their home insurance policy.

What happened

Ms L and Mr O raised a claim following a devastating fire at their home.

Zurich appointed a loss adjuster to review and validate the claim. However, Ms L and Mr O became frustrated with the handling of their claim and what they felt were delays to the progression of it. They said:

“This is a formal complaint against Zurich for its mishandling of our fire damage claim, following a devastating house fire at our family home on 10 April 2025.

We submitted a complete, well-documented claim in accordance with Zurich’s policy terms and responded to every question asked. Despite this, Zurich:

- *Missed the FCAs required 8-week response deadline (5 June 2025), and*
- *Missed an extended deadline we offered in good faith (10 June 2025)*
- *Issued a final response by email on 13 June 2025, dismissing our complaint without addressing the substance of the claim*

Zurich has failed to meet regulatory expectations, breached basic standards of fairness and support, and caused further distress to an already traumatised family”.

Zurich said “We refute the insured’s comments that Zurich has failed to meet regulatory expectations, breached basic standards of fairness and support. We have been as reasonable and patient as possible in waiting for the insured to provide the information we have requested to enable us to reach a policy decision. We have paid alternative accommodation costs during this period and have furthermore contributed towards additional alternative accommodation for Ms L as a gesture of goodwill. The lack of cooperation demonstrated by the insured has hindered our enquiries and has caused unnecessary delays”.

Our investigator decided not to uphold the complaint. She didn’t think Zurich had been unfair in managing the claim. She said Zurich had a responsibility to validate the claim and ask questions of Ms L and Mr O in order to satisfy itself of whether there was a valid claim. Ms L and Mr O 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.

Having done so, I don’t uphold this complaint. My decision is only looking at the period to June 2025, which is when Zurich issued its final decision. So, if Ms L and Mr O have any new complaint points after this time, they would need to be raised with Zurich first to allow it

to have opportunity to respond, before they can be escalated to our service. I don't have jurisdiction to look at points after this date under the rules set by the Financial Conduct Authority (FCA).

I appreciate the fire and damage has had a devastating impact on the family. My decision won't be easy reading for Ms L and Mr O, so it's important I outline my reasoning for coming to this conclusion.

I think the early context of this claim is important. When the loss adjuster attended Ms L and Mr O's property to validate the loss, they were concerned that the contents sum insured under the policy of £100,000 might not be adequate, so they asked Ms L and Mr O to provide a contents value at risk inventory. Ms L and Mr O duly provided a completed list, but they said their contents was worth £322,000.

Two major issues occurred to the loss adjuster:

- would the policy have been offered by Zurich had it known of the high value of contents
- a potential and significant level of under-insurance on the property.

Due to the significance of both these issues and the impact they could have on Ms L and Mr O and their claim, Zurich embarked on a more detailed and thorough validation of the claim to understand exactly what had happened and what the circumstances of the claim were.

Following a lengthy interview process, where Zurich asked many questions of Ms L and Mr O, they contacted Zurich to explain *"after a considered view we believe the realistic current value of the contents falls within the range of £120,000 to £160,000"*.

I think this would've raised further alarm bells for the loss adjuster, given the inconsistency of the information provided by Ms L and Mr O. I think this provides further vindication for a more detailed validation process.

Zurich said "We have subsequently made numerous requests for [Ms L and Mr O] to provide information that would enable us to access an accurate contents value at risk, including information regarding the valuables they own and their previous insurance details. [Ms L and Mr O have] been extremely reluctant to provide information, and the information they have supplied has been on a piecemeal basis. They have still not supplied all of the information requested, and they have refused to sign mandates to enable us to make enquiries with their previous insurers".

I can see Ms L and Mr O think the questioning Zurich has followed has been too intrusive and they think it has asked questions that aren't relevant to the loss. However, given the significant discrepancies in the insured values Ms L and Mr O have provided, I think it's reasonable for Zurich to have wanted to carry out more detailed validation.

I've reviewed a list of issues Zurich has found and read numerous emails Zurich has sent to Ms L and Mr O trying to get more information in relation to the loss. I don't think this line of questioning is unreasonable given the circumstances Zurich has been presented with.

I can see Zurich has explained the policy terms to Ms L and Mr O highlighting its rights under the policy to validate the circumstances of any claim. I've checked the policy and I think the terms are clear that Ms L and Mr O need to co-operate with the validation process. There are many clauses that set out the importance of ensuring correct information is given to Zurich when taking out the policy.

For example, the policy sets out:

“Adequacy of sum insured: you must ensure that your sums insured are not less than the full cost for replacing all your contents and valuables as new; failure to do so may invalidate your policy or reduce claims settlements”,

“Check your policy schedule to make sure that the information provided is correct. You must take care to provide us with accurate information”,

“If any of the information on this document is not complete and accurate, the insurer may cancel your policy and refuse to pay any claim, the insurer may not pay the full claim, the insurer may revise the premium and/or change the excess, the extent of the cover maybe affected”,

A condition of the policy states *“you must give us all the information and help we reasonably request”*.

Given I think Zurich has been making reasonable requests for information to validate the accuracy of the contents at risk, I don't uphold this complaint. I think Zurich has shown there is a reasonable doubt over what the contents at risk value was, compared to what was stated by Ms L and Mr O when they took out the policy. Therefore, I think Zurich have been reasonable in trying to bottom this out. If Ms L and Mr O had co-operated more by answering these questions, I think the claim would've moved along.

Throughout this period, I can see Zurich has emphasised the need for Ms L and Mr O to co-operate and it has explained why this is important. Zurich has also paid significant alternative accommodation costs whilst it has been waiting for Ms L and Mr O to provide the necessary information to move the claim on. Therefore, in the circumstances, I think Zurich has been fair and reasonable in its handling of this claim. Until Zurich has been able to validate the claim, I wouldn't expect it to move forward with any form of settlement on the claim.

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 in respect to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L and Mr O to accept or reject my decision before 17 March 2026.

Pete Averill
Ombudsman