

The complaint

Mr T has complained about Zurich Insurance Company Ltd which provides the buildings insurance for the apartment block in which his home is situated. He feels it handled matters, following a fire at the block, badly which caused him to suffer distress and inconvenience. He believes it also impacted his health.

What happened

In August 2024 there was a fire at the building where Mr T lives. He was one of a number residents affected. A claim was made to Zurich. Zurich agreed to cover the cost of Mr T, a vulnerable disabled consumer, being placed in a care home. A number of issues arose for Mr T during the course of the claim and, in October 2024, he flew abroad to stay with family, With Zurich covering the cost of the flight and some other essentials. Zurich said Mr T's home was habitable as of 6 December 2024.

In December 2024 Mr T complained to Zurich. He said he'd suffered a lot because Zurich hadn't taken his specific accommodation needs into account and, as a result, he'd been forced to stay in unsuitable accommodation. He said his concerns about the accommodation had largely been ignored with Zurich's only answer, based on economy, being to force him to fly abroad.

In February 2025, with Zurich having not answered Mr T's complaint, Mr T brought his complaint to the Financial Ombudsman Service. As well as setting out detail as to what he'd been through during the claim, Mr T said he had incurred additional financial costs whilst living abroad which he thought Zurich should cover.

Whilst Mr T's complaint was being progressed at this Service, Zurich, in May 2025, issued a final response letter to Mr T. Zurich said it had not been responsible for choosing the alternative accommodation Mr T had been placed in. Regarding his requests for extra costs to be paid to him under the policy, Zurich said it would offer £527.36. It said for other costs incurred whilst Mr T stayed with family abroad, if he sent details of costs, it would consider them. It said it wouldn't pay for Mr T's mobility scooter damaged in transit – he would have to take that up with the airline. Zurich, overall didn't think it's handling of the claim had been poor – but it noted a significant delay in it answering Mr T's complaint, for which it offered £300 compensation.

Our Investigator considered Zurich's offer to pay £527.36 and £300 compensation. Also noting its offer to consider Mr T's further living costs. In the complex circumstances of the claim and this complaint, he felt that Zurich's response, including its offers, had been fair and reasonable.

Mr T's response centred on what he'd been through and what Zurich's loss adjuster had known about. He said Zurich had had an opportunity to send him to an alternative care home but hadn't and he'd gone abroad under duress as no other option was given to him.

The complaint was referred for 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.

That said the parties may feel that my decision is light on detail and does not refer to every argument made nor every circumstance which occurred. Nor does my decision refer to legislation. I'll take this opportunity to reassure both parties though that this does not mean I have ignored or misunderstood anything. On the contrary I have taken everything into account – but it is a key part of this service's informal role to keep our decisions focused on the key elements of the complaint and comment on those issues I am satisfied are necessary to explain why I think a fair and reasonable outcome has been reached.

Having considered everything here, I recognise that this was a very difficult time for Mr T. I can understand why he, and his family, are very upset at everything which has happened and which I'm aware Mr T's family only began to fully understand once he arrived to stay with them. But I also recognise that being through a traumatic incident like this fire and having the need to move out of your home, along with all that comes with that can be devastatingly upsetting in its own right. For me, in assessing this complaint, I have to bear all of that in mind and also balance it against what Zurich's liability as insurer was in this instance.

Zurich and its loss adjuster, from early on in the claim, were aware that Mr T had certain specific needs. But Zurich was not liable under the policy for organising the alternative accommodation which the occupants of the fire damaged building were being placed in. The policy required Zurich to cover accommodation costs, not to arrange suitable accommodation. Zurich did offer some initial assistance but in respect of Mr T, following the realisation that standard hotel accommodation was not suitable for him, Mr T consulted with the local council adult care team and moved into a care home they/the local council had sourced.

I do note that two options were put forward to the property management company for Mr T's accommodation (which were acting as the main liaison point on the claim), and shared with Zurich. But I'm satisfied that the decision made to place Mr T in the home he ended up in wasn't one made by Zurich. Essentially Zurich was told the care home Mr T went to would be suitable but if his home would not be available for "some time", the other facility might serve him better. As it was, at that time, all indications were that Mr T would be able to return to his home shortly. That timeframe was clearly not kept to but Zurich was not told by those in charge of Mr T's care that he needed to move elsewhere nor was it asked to consider the cost of funding that. In the circumstances here I don't think that raising the issue of moving Mr T to another home is something Zurich should reasonably have led.

It is unfortunate that the timeframe in which it was felt Mr T would be able to move home slipped. But I haven't seen that the slippage was caused by any avoidable delay of Zurich's.

I see the property management company asked Mr T on several occasions, as the claim progressed and he began raising concerns about his accommodation, if there was anything that could be done to make things better for him – provision of equipment for example. Those conversations seem to have resulted in Mr T asking for the cost of a pre-planned flight to stay with family (booked before the fire) to be brought forwards. I see Zurich agreed to that and Mr T's costs were duly reimbursed.

I know Mr T has complained that Zurich made this decision on the basis of whether it was economical or not, versus it continuing to pay for care home costs, not whether it was the best move for him. But I can't criticise Zurich for applying that lens to this decision – Zurich

has to treat all customers fairly and so assessing whether a cost is 'economical' and, therefore, fairly due under the claim is part of that process. And I don't think it was for Zurich to question what was right for Mr T when it was responding on an issue as to whether or not it would bear the cost of the move under the policy.

I haven't seen anything which makes me think Mr T only agreed to fly abroad 'under duress'. The available communication shows that Mr T put the idea to the property management company. With the property management company then investigating what that would mean in terms of cost and Zurich then agreeing to those costs.

Zurich has suggested that Mr T's concerns about his treatment whilst at the care home might be better dealt with by the local authority. Also that his concerns about his damaged mobility scooter would be better placed with the airline. I'm satisfied Zurich's responses in these respects are fair and reasonable.

In terms of policy liability Zurich has said it will pay Mr T £527.36. It says this is a goodwill gesture which stems from the policy option for it to cover alternative accommodation costs *or* pay a percentage towards the same. Zurich did cover the cost of Mr T's alternative accommodation in the care home. It then covered his flight and other transport costs in lieu of what it would have been paying if Mr T had stayed in the care home. So I can understand why Zurich thinks it had reasonably met its liability under the policy to either cover accommodation costs *or* to pay a percentage towards them. As such, I'm satisfied its offer to pay the further £527.36 is fair and reasonable.

I know Mr T has said he incurred other costs living with family abroad. I also know Zurich has agreed to consider these if Mr T shows it details and evidence of costs. With this complaint point being on-going in this way, I won't comment on it further here other than to say I think that is a fair offer.

Zurich offered £300 compensation because it delayed sending its final response letter. It is disappointing that Zurich took so long to answer Mr T's concerns. I accept he was caused upset whilst waiting for its response. Given that Zurich should have issued its response within eight weeks, a delay until May equates to about three months. Zurich's offer of £300 compensation is in line with awards I'd make where upset is caused over a few months. I'm satisfied that £300 is fair and reasonable in the circumstances here.

My final decision

Zurich Insurance Company Ltd has already made an offer to settle the complaint by paying £527.36 and £300, as well as by considering further costs Mr T incurred living abroad and I think this offer is fair in all the circumstances. So my decision is that Zurich Insurance Company Ltd should pay these sums to Mr T, a total sum of £827.36 and consider his further costs incurred living abroad.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 February 2026.

Fiona Robinson
Ombudsman