

The complaint

Mr B complains about how Zurich Insurance Company Ltd (“Zurich”) dealt with a claim he made on his home insurance policy following a claim for storm damage.

Zurich is the underwriter of this policy, i.e. the insurer. Throughout the claim Mr B was dealing with other companies who act as Zurich’s agents. Since Zurich accept it is accountable for the actions of its agents, in my decision any reference to Zurich includes its agents.

What happened

Mr B has home insurance with Zurich.

In June 2024 Mr B made a claim for storm damage to his home. The damage was caused by an ingress of water resulting in flooding to the basement area.

Zurich accepted the claim and appointed its loss adjuster to deal with the claim. The property was dried and reinstatement work was carried out to repair the damage caused. Some of the work was settled by way of a cash payment, and other work was completed by Zurich.

Mr B complains about the way his claim has been dealt with – he says there have been delays, miscommunication, issues with the work completed, and thinks the £100 paid for cleaning costs isn’t sufficient given the dust and dirt caused by the repair work. Mr B also doesn’t think the compensation offered sufficiently reflects the distress and inconvenience caused by Zurich’s handling of the claim.

Because Mr B was dissatisfied with the service he received, he complained to Zurich.

Zurich accept there were delays and miscommunications during the handling of the claim. It awarded Mr B £600 for the distress and inconvenience caused. Mr B wasn’t happy with the response from Zurich so referred his complaint to this Service.

Our Investigator considered the evidence and concluded that the compensation offered was within the range of what this Service might typically award for distress and inconvenience where the impact lasts over many weeks or months. Mr B didn’t agree with the Investigator’s view and so the complaint has come to me to decide.

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.

To be clear, this decision covers events complained about from 12 May 2025 when the initial final response was issued, to 20 August 2025 when Zurich issued a further final response to Mr B’s subsequent complaint.

I'd like to acknowledge both the parties' submissions in respect of this complaint. Whilst I've read them all, I won't comment in detail on every single point that's been made. Instead, I'll focus on the key points that are relevant to the outcome I've reached. That's in line with our remit, which is to resolve complaints promptly and with minimal formality.

It's not in dispute that Zurich has incorrectly handled this claim. Zurich accepts there have been delays and miscommunications that have caused Mr B significant distress and inconvenience. So I don't need to decide whether Zurich has done something wrong – it has. What I need to decide is what it needs to do to put things right.

It's not our role to fine or punish businesses. So, where a mistake has been made – like giving a customer incorrect information or causing avoidable delays – we wouldn't hold a business to that mistake and honour what they said. Instead, we expect a business to put the customer back in the position they would've been in had the mistake not been made.

That is difficult in this case. There's a disagreement about what was included in the cash settlement for the floor fitting. Zurich say it told Mr B that items such as glue, underlay, stair rods and door plates were included in the settlement. But Mr B says he didn't understand what these ancillaries were, and only realised they weren't being supplied the day before the fitting.

As a result, he asked his fitter to provide them at an additional cost. Zurich declined to reimburse these costs, saying they'd already been accounted for in the original settlement. Zurich did accept the communication around the settlement of the floor fitting could have been clearer.

Following review of the evidence and carefully considering Mr B's submissions I'm satisfied the payment for distress and inconvenience takes into consideration the miscommunication around the flooring settlement, the payment for cleaning, the failed attempts to screed the floor, delays in issuing the drying certificate, avoidable delays and the inconvenience caused.

Zurich awarded Mr B £600 for the distress and inconvenience caused by its handling of the claim, including delays in issuing the drying certificate, the failed attempts to screed the floor, miscommunication, cleaning costs, and avoidable delays. I agree with our Investigator that Mr B should be compensated for the distress and inconvenience caused. And I'm satisfied that £600 is fair in the circumstances, and more than I would have directed had the offer not already been made. I say this because the period I am considering is three months and our guidance says awards of up to around £750 are fair where the impact of a business's mistake has caused considerable distress, upset and worry that needs a lot of effort to sort out – and typically the impact last over many weeks or months. And that is the case here.

I know my answer will be disappointing for Mr B given the circumstances described in his submission to this Service. But having carefully considered the complaint I think Zurich has done enough to put this right.

My final decision

Zurich Insurance Company Ltd has already made an offer to pay Mr B £600 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Zurich Insurance Company Ltd should pay Mr B £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 February 2026.

Kiran Clair
Ombudsman