

## **The complaint**

Ms E complains about the way Zurich Insurance PLC handled an escape of water claim under a Select for Social Housing Providers insurance policy.

## **What happened**

The details of this complaint are well-known to the parties, so I won't repeat them here. Instead, I'll focus on the reasons for my 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.

There is a great deal of correspondence for this complaint, and many points have been made in relation to this ongoing matter. I have read it all. In my decision, I've not addressed each point raised individually. Rather, I've focused on what I think the key points are. I mean no discourtesy to either party by this – it simply reflects the informal nature of this Service.

I must also explain we're an alternative dispute resolution service and our role is to resolve complaints quickly and with minimal formality. Our role is not to handle or oversee claims. Rather, my role is deciding whether I'm satisfied Zurich addressed Ms E's concerns satisfactorily up to the point in which it issued a final response. Therefore, the scope of my review is limited to considering matters up to 7 August 2025. It follows I won't be commenting on matters that have occurred since.

Ms E is the leaseholder of a property. The building was insured by Zurich and the freeholder of the building – whom I'll refer to as "P" – was the policyholder. Ms E was a beneficiary of the contract of insurance. She claimed on the policy in May 2022 for an escape of water. Zurich investigated the claim and later accepted it in August 2022.

The policy required Zurich to pay for reinstating, replacing or repairing the claim-related damage. Ms E opted to oversee the repairs herself, appointed her own surveyor and a tender process was arranged. Zurich agreed to proceed with the claim on this basis, with its role limited to validating claim costs and making payments as evidenced/requested, as per Ms E's preference.

There has been a great deal of activity since, alongside a great deal of correspondence and many disputes. I won't set this out in detail here as the parties are aware of it, and the Investigator has already summarised the key events. I will therefore focus on my key findings, based on my review of all the available evidence to me:

- As set out above, Ms E opted to appoint her own surveyor, and a tendering process was to follow. I therefore can't fairly hold Zurich responsible for any delays with this part of the claim. Ms E later decided to remove her appointed surveyor from the claim and opted to provide her own quotes. I can't fairly hold Zurich responsible for any delays with this part of the claim either.

- When presented with a scope of works and quotes, Zurich considered them within a reasonable amount of time and in appropriate detail. I recognise responses sometimes took longer than Ms E would have liked, and requests for further information to substantiate what she was asking Zurich to pay for would have been frustrating, but the need for significant repairs and the high costs involved meant validating the claim-related works wasn't a straightforward task.
- Ms E has said Zurich should have accepted her quotes at earlier stages and finds its settlement offers to be unfair. I don't find that's the case. I say this because Zurich had legitimate concerns with the works it was being asked to pay for, and the costs it was being presented with for some of the agreed works, which it considered were far less comparative than what it would have cost it to arrange the works through its own network of contractors, which it offered to do, but which Ms E declined. It was therefore reasonable for Zurich to challenge Ms E's costs.
- Ms E has provided a great deal of claim related costs for Zurich's consideration, including several quotes, with varying costs attributed to them, and varying scopes of work with some material differences, such as the works/costs required to repair the kitchen. But I find Zurich has been open to discussions on these disputed points throughout, because pragmatic decisions have been taken to increase the settlement despite Zurich's requests for information not always been forthcoming.
- I have found Zurich let Ms E down at times during this claim. For example, there were some avoidable delays and some instances of poor communication, progression, and late payments which required Ms E to chase it. Zurich recognised the impact its unsatisfactory customer service had on Ms E, it apologised and paid her £1,500 compensation in total. I find this amount to be fair and reasonable in the circumstances of this complaint. I say this because while Zurich made mistakes, I find the impact on Ms E on the whole has been the unavoidable consequence of this large, complex claim, rather than poor claim handling.
- Ms E has made some very serious allegations against Zurich, such as it caused her (and her young family) to live in unsafe conditions, they were displaced and they were put at risk of ongoing harm. She also holds Zurich responsible for significant harm to her health, her children's health, wellbeing and education, and her career. I'm very sorry to hear Ms E feels this way. From my review, I've found Zurich was a relatively passive party to this claim. I say this because Ms E controlled the claim, and Zurich responded to her, and where it reasonably could, it attempted to progress the claim forwards, including making payments for alternative accommodation, amongst other things. If Ms E wants to pursue this specific part of her complaint, then it may be appropriate for her to seek legal advice, due to the very serious nature of her accusations, and my mention above about the purpose of our Service.
- Ms E hasn't been able to stay in her property due to the claim. She initially stayed with a relative, and Zurich covered these living costs. Ms E then moved to alternative accommodation upon her request and Zurich later covered the increased rent when she moved back in with a relative at her request. The claim notes support Ms E proposed this move to Zurich once the lease on her alternative accommodation expired in October 2024, which she said would attract cost savings despite the increase in rent from the relative, and this arrangement would provide her children with a stable and safe environment. I accept living outside of her home would have been difficult for Ms E, especially given that she has a young family, but I am

satisfied Zurich did what it reasonably could to accommodate her needs and circumstances.

- Ms E has said she is out of pocket as the result of Zurich's failure to make payments. While I can see over the course of the claim Ms E had to chase for payments at times, I've not seen compelling supporting evidence that demonstrates Zurich failed to make payments to Ms E for several months. I also note interim payments were made to Ms E that were intended to contribute to these costs. But in any case, it's not my role to carry out a financial audit on the claim. Should Ms E consider herself out of pocket in relation to these payments, she should direct this to Zurich, with supporting evidence, for further consideration.
- Ms E has suggested Zurich hasn't reimbursed her fully for Council Tax. Zurich offered Ms E a review of the position upon receipt of Council Tax information from her to validate how the policy should respond. Following this, I note it communicated to Ms E how the policy would respond to the same, so I am satisfied Zurich fairly considered its liability for Council Tax payments under the policy.
- Ms E has said P (the policyholder) has asked Zurich to make staged payments when settling the claim. In other words, to pay her the agreed money as and when the repair bills become due. I'm aware that's not what Ms E wants – she wants Zurich to directly pay her a fixed lump sum before repairs commence, but it's common practice for an insurer to consult a policyholder on how the claim will be settled – which in this case, was P, and in claims of this nature, size and costs, and this shouldn't ultimately impact her claim entitlement or the repair schedule.

In conclusion, while I find Zurich ought to have handled matters better at times – and with a more appropriate level of customer service, I find £1,500 compensation in total to be fair and reasonable to recognise the substantial distress caused to Ms E. Zurich has already paid this to Ms E, so it follows I don't require Zurich to take any further action in respect of this complaint – which includes matters up to 7 August 2025.

I recognise my decision will disappoint Ms E given the great deal of effort she's put into this complaint, and the impact the ongoing claim is having on her. But my decision ends what we – in attempting to informally resolve her dispute with Zurich – can do for her.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 9 March 2026.

Liam Hickey  
**Ombudsman**