

The complaint

Miss B complained about Zurich Insurance Company Ltd's ("Zurich") handling of an escape of water claim under her home buildings insurance policy.

What happened

Miss B explained that due to an escape of water in her loft, her home was extensively damaged. She contacted Zurich to make a claim on 18 January 2024, which it accepted. Because of the damage had had to move into alternative accommodation ("AA") whilst drying and repair work was completed.

There was a bed bug infestation at the first hotel she was staying at. Miss B said Zurich handled the provision of AA poorly. Additionally, she said there were multiple problems with defective repair work. Miss B said she paid for some of the remedial repairs herself because of delays and a lack of support from Zurich.

Miss B explained that she supplied evidence to support her contents claim. But the amount she was offered in settlement didn't cover her loss and was unfair. She described difficulties trying to establish what had been lost due to poor communication.

Since moving back into her home Miss B said she has experienced a further two burst pipes. When contacting Zurich, she said she was met with a lack of empathy and conflicting information. Because of these issues Miss B complained to Zurich in February 2025 setting out her concerns.

In its final complaint response Zurich said more should have been done to assist Miss B with the snagging issues she reported. It said a meeting had been agreed for 15 April 2025 to discuss and resolve the outstanding points. It confirmed Miss B's contents claim would also be considered at that time. The business paid £550 in compensation for the frustration and inconvenience Miss B had been caused.

Miss B didn't think she'd been treated fairly and referred the matter to our service. Our investigator said her claim had involved delays and poor communication. To put this right, he thought compensation was appropriate. But he was satisfied that what Zurich had paid was fair.

Miss B didn't accept our investigator's findings. She said the stress, frustration, and inconvenience she experienced during the claim is not reasonably acknowledged with a payment of £550. Because of this she asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

I issued a provisional decision in March 2026 explaining that I was intending to uphold Miss B's complaint. Here's what I said:

provisional findings

Having done so my intention is to uphold Miss B's complaint. Let me explain.

With a claim like this some level of inconvenience and disruption is inevitable. However, we expect Zurich to deal with all claims effectively and to avoid unnecessary delays. I've focused on this here.

The damage caused by the escape of water meant Miss B had to be placed in AA. She hasn't raised concerns about how this was arranged initially. However, she described an infestation of bedbugs at the hotel she was staying at. Miss B said this meant she was covered in bites and had to be separated from her belongings for several days. She said that she contacted Zurich on Saturday 27 January 2024 to see if she could move to a different AA. But was told that she should call the following Monday as this was not an emergency given that she had somewhere to stay.

Zurich sent a timeline of events. I've also read the original claim records. There is no reference to this contact from Miss B. I asked Zurich for a call recording from this time. It responded to say that due to its retentions policy it could not provide the call recording.

Zurich wasn't responsible for the bedbug infestation. But it must treat its policyholders fairly. Miss B has described how stressful she found this situation. Her house was severely damaged, she'd been made redundant and was living in a hotel with an insect infestation. In these circumstances it was imperative that Zurich did what it could to assist. Miss B explained how different accommodation was provided when she called on 29 January 2024. But she was left waiting in the car park of the new hotel with her belongings, as an early check-in hadn't been arranged.

The claim records don't include any reference to the bedbug issue until after the 29 January 2024. That said, I have no reason to doubt Miss B's recollection of the call she had with the business. In these circumstances I'd expect Zurich to ensure that Miss B wasn't left for a period without accommodation. I'd also expect that it would show empathy for the experience she'd had. To acknowledge this I think it's reasonable that Zurich pays Miss B compensation.

I've thought about Miss B's comments that she wanted to check on her belongings to understand what needed to be replaced. She said that despite requesting the opportunity to do so, it took around a month to get a response. I can't see that Zurich responded to this part of Miss B's complaint. The claim records don't show the contact from Miss B. But again, I have no reason to doubt what she says. Miss B explained that she wanted to know which of her belongings she would need to replace before moving back home. Based on what I've read this opportunity wasn't provided. Miss B described how this caused her further distress and inconvenience.

Based on this information Zurich and its agents didn't deal with this situation well. To acknowledge the poor communication and poor claim handling it's fair that the business pays her compensation. I'll confirm this later in my decision.

Miss B has explained that several of her belongings were lost by Zurich whilst in storage. She said around twenty emails were sent to the business chasing the matter from November 2024 when she moved back home. Miss B explained that she had provided supporting information for seven lost items that cost £535. She confirmed that a manager told her the claim would be settled but this didn't happen and resulted in further contact.

In its complaint response Zurich confirmed that a meeting would take place on 15 April 2024 with Miss B. Part of the reason for this was to resolve her contents claim. I think this is a reasonable approach to resolving this aspect of Miss B's claim.

The records don't include reference to the multiple contacts Miss B said she had to make to Zurich. But she has given a clear account of the effort she made to pursue the missing part of her contents claim. I don't think the records Zurich provided fully reflect the contact between it, Miss B and its agents. The indication is that the business didn't handle this aspect of the claim effectively. This caused Miss B further frustration, distress and inconvenience.

I've thought about the concerns Miss B raised about the poor standard of Zurich's repairs. The business acknowledged that from mid-December 2024 Miss B had to make contact several times to highlight the poor standard of some repairs, as well as outstanding snagging issues. It conceded that no meaningful progress seemed to have been made on this point.

Miss B set out a detailed list of the poor-quality repairs in her complaint. This included issues with the electrics, which meant she had to employ and pay for two electricians. She said tiles were "sticking up" in the kitchen. A contractor was arranged to resolve the issue but didn't turn up. This was after she had taken time off work to facilitate the repairs. The shower didn't work when Miss B moved back to her home which meant making alternative arrangements for bathing. The kitchen work top wasn't secured in place. Flooring was separating in multiple places in three different rooms. Decorating finishes were poor. Sockets and light fittings were damaged and filled in. There was mould on a heater plug, water damage to door facings and Miss B said her home is now colder than it used to be.

I can only consider up to 2 April 2025 in my decision. This is the date of Zurich's final complaint response. This is because the Financial Conduct Authority ("FCA") dispute resolution or DISP rules determine what complaints we can consider. The rules say that a customer must first raise a complaint with the regulated business and allow it to respond.

As discussed a meeting was arranged with Zurich's agent and Miss B for mid-April 2025. This was to discuss the contents claim but also the outstanding snagging issues. If Miss B isn't satisfied with the outcome of this meeting, she can complain to the business.

From what I've read there were several areas where the standard of work was poor. This is demonstrated by the photos Miss B supplied. Some snagging elements are to be expected following significant repairs such as those required in this case. But the extent of the poor-quality work indicates a lack of care on the part of Zurich's contractors.

Miss B moved back to her home around 20 November 2024. It's clear from the emails she provided, and Zurich's claim records that there were multiple snagging issues remaining. The claim records from October refer to snagging issues that were being resolved prior to Miss B's return. But this wasn't successful as many issues remained.

Having considered these points, I don't think the repairs were carried out to a good standard. It isn't fair that Miss B had to pay for two electrician's visits. From what I've read this was to rectify the substandard repairs Zurich had arranged. Miss B can supply Zurich with the relevant receipts to show the reasonable costs she incurred. It's fair that the business refunds these costs plus 8% simple interest.

Additionally, Miss B was significantly inconvenienced by the poor standard of communication, and delays, when trying to ensure that repairs were completed to a good standard. In the circumstances described I don't think Zurich handled this claim effectively, which has resulted in further detriment for Miss B.

In summary I don't think Zurich treated Miss B fairly in how it handled her claim. When considering all these issues together, I think a higher payment than the £550 Zurich offered

is warranted. I consider £750 to be fair and that this aligns with the established approach our service takes with respect to awarding compensation. The business should also refund the reasonable costs Miss B incurred for the two electrician visits she described. She should provide the relevant receipts to Zurich to support these costs. The business should include 8% simple interest on any refund from the date Miss B made payment until this is refunded.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Miss B responded to say that she hasn't yet accepted any compensation from Zurich. She said she still has outstanding repairs in her home that she will have to pay for. Additionally she described taking time off work to allow access for remedial repairs. And that she spent a lot of time and effort contacting contractors to arrange for work to be completed. Miss B added that she had experienced stress and disruption whilst in a vulnerable situation.

Zurich responded with comments obtained from its loss adjustor. It said it was not aware of a call from Mr B on 27 January 2024. But that it did act on the bed bug issue within a short period. It said Miss B was contacted following completion of repairs to check she was satisfied with the work. It highlighted an occasion when it said Miss B did not respond to several emails and a call. With regards to the contents claim the loss adjustor said it did liaise with her and was not made aware of anything outstanding after 29 October 2024.

In its response Zurich said it dealt with the subsequent burst pipe damage after Miss B had returned home. With respect to missing contents it said compensation was eventually provided for this. Additionally it said that all emails from Miss B were provided with its file.

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.

I have thought carefully about the points raised by both parties. But I'm not persuaded to change my findings.

I note Miss B's comments that she has yet to receive compensation. My decision reflects this. I'm satisfied that a total payment of £750 is fair.

By no means is my intention to diminish the impact this experience had on Miss B. But having read her further comments I'm satisfied that the compensation I set out fairly reflects the distress and inconvenience Zurich caused. As I set out in my provisional decision, if Miss B has concerns about snagging issues after the meeting that was arranged she can raise a new complaint with the business.

I've not been provided with any additional records or evidence to support Zurich's further comments. I note what it says. But having revisited the available evidence my view remains the same. I don't think Zurich handled aspects of this claim well for the reasons I set out in my provisional decision. Its further comments don't persuade me that a different outcome is warranted or that the remedy I put forward was unfair. This means my provisional decision will now become my final decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint. Zurich Insurance Company Ltd should:

- refund the reasonable costs of Miss B's electrician's fees on provision of relevant receipts,

and add 8% simple interest* from the date these were paid until a refund is made; and

- pay Miss B a total of £750 for the distress, frustration, and inconvenience she was caused.

*If Zurich considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss B how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 15 May 2026.

Mike Waldron
Ombudsman