

## **complaint**

Mr J has complained about the delay by Zurich Insurance PLC in progressing a claim under a home insurance policy following previous final decisions by this service.

## **background**

Mr J made a claim to Zurich in early 2011 following an escape of water at his home, which he owns through a shared ownership scheme with a company ("A"). I won't set out the whole chain of events since they are well known to both parties. Another ombudsman issued a final decision in January 2015 in relation to repairs and the handling of the claim.

In that final decision my colleague required Zurich (amongst other things) to pay for a surveyor to consult with Mr J and agree a list of final repairs. She thought that the property was fit for Mr J to live in.

Mr J says in January 2015 his local authority issued a hazard awareness notice saying there were health and safety risks to anyone living in the property because of cold, damp and mould. Mr J moved back home about two months later. Prior to that Zurich says it had checked the boiler and heating which were working. Mr J says they weren't fully operational or in good working order. He thinks the fact that the gas boiler had to be replaced in May 2015 shows this. Zurich says that it agreed to pay for a replacement boiler because the boiler needed a new part which was no longer available but the boiler was still working.

In June 2015 there was a meeting at Mr J's property attended by Mr J, his surveyor and Zurich's surveyor. The parties don't agree about the work that still needs to be done or a settlement figure.

Mr J complained to Zurich. It agreed that it had taken a long time to progress Mr J's claim since the last ombudsman's decision and offered him £300 compensation for this.

Mr J complained to this service. Our adjudicator thought that the best way to resolve things would be for an independent expert to assess what work is outstanding and how much it would cost. She said Zurich would then be able to make a cash settlement based on that.

Mr J doesn't think it's possible to inspect the damage inside the property now that he's moved back with all his contents. But he says he had a 90 minute film made which shows the condition of the premises before he moved back. He thinks it would be helpful for an independent expert to watch that before inspecting the premises.

As Mr J wanted an ombudsman to consider his complaint, the matter's been passed to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm looking at how Zurich's handled the claim since our last decision.

I can appreciate Mr J's concern that his property was considered a health hazard. Although the local authority thought the property was a health risk in January 2015, he wasn't living in it then. I think Zurich took all reasonable steps before Mr J moved home to ensure the

heating and water systems were working properly. I don't think the fact that the boiler needed a new part (which led to the boiler being replaced) means that Zurich failed to treat Mr J fairly.

I can see that there've been delays in progressing this claim. But I don't think that they're all Zurich's fault. It took some time for a mutually acceptable date to be agreed for the meeting between the two surveyors. Following that Zurich tried to reach agreement with A regarding its intended settlement offer. Since A is the policyholder, I don't think it was unreasonable for Zurich to do that. I can also see that Zurich arranged for a number of the other actions required of it in the last decision to be carried out. Overall I think £300 is reasonable to compensate Mr J for the extent to which delays have been caused by Zurich.

The main issue outstanding now is the question of the repairs and how much they'll cost. I can understand that Mr J would have liked to have seen a written report from Zurich's surveyor following the June meeting but even if Zurich had provided this, I still think the parties wouldn't have reached an agreement on the settlement. If I'd felt able to make a monetary award I would have done so. But I don't think it would be fair in this case because I can't assess what needs to be done and the likely cost. That's why in my opinion the appointment of an independent expert is necessary.

I think the best way would be for Zurich to provide Mr J with a list of three independent suitably qualified experts that it hasn't worked with previously. He can then select an expert from that list to be jointly appointed by him and Zurich to inspect the property and put together a schedule of outstanding repairs. It will be up to the expert as to whether he or she wishes to view Mr J's film. The expert should price up this schedule of works and Zurich should then make a cash settlement based on that. The expert's fee will be paid by Zurich. Both Mr J and Zurich are to be bound by the findings of the expert.

### **my final decision**

I uphold this complaint in part and I require Zurich Insurance PLC to do a number of things:

- choose, appoint and pay for an expert chosen as set out above. The expert will inspect Mr J's property, put together a schedule of outstanding repairs and calculate the cost of such works.
- within 14 days of the expert's findings being made known, make a cash settlement to Mr J for the cost of the works;
- pay the outstanding £300 compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 25 July 2016.

Elizabeth Grant  
**ombudsman**