

complaint

Mr S is unhappy with how Zurich Insurance PLC handled his subsidence claim made on his home insurance policy.

background

Mr S made a claim to Zurich over 16 years ago. Various things went wrong and Mr S complained. Zurich paid Mr S a total of £2,000 compensation for all the upset it had caused him up until the end of 2013. However, further problems occurred from January 2014 onwards and in 2015 Mr S complained to us about what had been going on and that there still wasn't an agreed scope of works in place.

Our adjudicator felt that throughout 2014 Zurich had caused delays and had failed to communicate properly with Mr S. He also noted that in 2015 Zurich had threatened to close Mr S' claim and also failed to respond to a letter that he'd sent it. He felt that £400 compensation should be paid. He also said that to progress the claim a joint, independent engineer should be appointed.

Zurich agreed. Mr S was unsure. He wanted every detail of Zurich's handling of his claim to be set out and considered. He thought an engineer might be a good way forward but set out a list of caveats he thought Zurich should agree to in respect of the engineer's appointment.

Zurich did agree to some but said that it couldn't comply with others. Our adjudicator considered the points made by Mr S and felt that Zurich's response to these caveats was reasonable. He explained that because the engineer was being jointly appointed Zurich couldn't control it in the way Mr S had suggested.

my findings

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

compensation

This has been a very long road for Mr S and his frustration is palpable. I don't know why things were still going so wrong in 2014 but I'm aware that Zurich is now working closely with Mr S to move matters forwards. That doesn't change the fact though that, in my view, the handling of Mr S' claim in 2014 and into 2015 was very poor.

I'm not going to go into every detail of what happened but I'm satisfied that at least six months was wasted by Zurich's unreasonable delays. And there was a period of around five months where no contact was made with Mr S. I also don't think Zurich really thought through the impact its threat to close the claim would likely have on Mr S. After everything that had gone on, and over how long everything had been going on, I think this was an unreasonable tactic that would only ever have resulted in further upset being caused. So I'm satisfied that Zurich needs to provide compensation to Mr S.

In many subsidence claims a year and a half is not a long time. But I accept that here, a further year and a half of talking (sometimes) and no action was particularly stressful. Therefore, I'm satisfied that £400 compensation is fairly and reasonably due to Mr S.

independent expert

Often where relationships have broken down and/or there is a dispute over technical aspects of subsidence repairs, this service will require the insurer to (on a joint basis) appoint a suitably qualified expert. Insurers usually know what “suitably qualified” in terms of subsidence means (and I’m satisfied Zurich does here) so we often make them select a list of three experts for their policyholder to choose one from to appoint.

Here I think it’s appropriate that a suitably qualified engineer is used and Zurich has confirmed that it will pass Mr S the details of three named individuals to select one from. At that stage he can make whatever enquiries he likes to satisfy himself of their suitability before informing Zurich of his choice. Zurich will then arrange the appointment. I know both sides are keen to move this matter on and have agreed to keep to certain timescales for this part of the process.

While Zurich will pay for the engineer, he (or she) will have joint responsibility to both Zurich and Mr S. The engineer will be independent from both of them too; so he (or she) won’t be controlled by either one and neither, individually, will be able to force him (her) to act in a particular way or under a particular timescale.

While I would trust that anyone appointed will act within a reasonable time I can’t, partly for the reasons above, make Zurich dictate timescales. I also can’t do this because until it’s known which individual is picked their current workload and commitments can’t be known. It also can’t be known how their enquiries will progress once they start the job or what time they might need. While I understand Mr S’ desire to have everything crossed and dotted so as to limit the chance of problems in the future, none of us can know what will happen as time goes on. So I can only make directions and awards about things as they are now.

I understand that Zurich has already contacted Mr S and agreed to arrange an appointment for all concerned, including the engineer once he’s been appointed. This should help move the claim on and resolve the issues in dispute over repairs.

my final decision

I uphold this complaint. I require Zurich Insurance PLC to:

- Pay Mr S £400 compensation.
- Send Mr S a list of three suitably qualified engineers to choose one from. Then, on a joint, independent basis, appoint that engineer.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 8 April 2016.

Fiona Robinson
ombudsman