

## **The complaint**

Miss R complains that AmTrust Europe Limited (Amtrust) caused further damage to her sofas and a chair after she claimed under her furniture protection policy.

## **What happened**

Briefly, Miss R had a furniture protection policy with Amtrust which provided accidental damage cover for her sofas and chairs. She claimed under the policy after the fabric on both sofas and a chair was accidentally damaged. Amtrust tried to clean the furniture but damaged the fabric further.

The details of the complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving 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.

I've decided to uphold Miss R's complaint, but I won't be asking Amtrust to do any more than already proposed by our investigator. I'll explain.

The policy Miss R bought provides cover for her furniture for up to five years from the date of purchase. I've considered Miss R's complaint and how Amtrust handled her claim taking into consideration the relevant policy terms and conditions. I've quoted them here for ease of reference.

### **Section 3 - What is covered**

*Your product is covered for the cost of repair in the event of a sudden and unintentional incident*

- 1. If a repair cannot be achieved, we may choose to replace the damaged part... [or]... provide a replacement product... [or] settle the claim by a cash payment*

The cover is limited as follows:

- 2. The most the insurer will pay under this Furniture Protection Plan is limited to the original purchase price of your product up to a maximum of £15,000...If any item of furniture is replaced following a successful claim no further cover will be available under this Plan for that replacement.*

The policy doesn't provide cover for:

- 6. Any gradually occurring stain or damage, any gradually occurring general soiling which results in build up and any multiple stains occurring over a period of time.*

## **Claim**

I think the terms are clear - Miss R could reasonably have expected Amtrust to clean, repair or replace her furniture, or cash settle her claim providing it was for accidental damage caused during an individual incident.

Amtrust accepted the claim but it wasn't able to clean or replace the fabric on a like-for-like basis, so it offered a replacement or cash settlement. But Miss R's complaint is that Amtrust caused more damage by trying to clean the furniture and as a result she has lost out on around a year of cover, and she is required to contribute towards the cost of replacing undamaged furniture.

I've thought carefully about the circumstances of this complaint and, having done so, I don't think Amtrust has treated Miss R unfairly for the following reasons:

- The claims forms Miss R submitted show that two sofas and a chair were damaged by coffee, cola, water, ink and oil stains during separate incidents. Given that the policy doesn't provide cover for multiple stains occurring over a period of time, or anything claimed more than 28 days after it happened, I think it was helpful that Amtrust accepted the claim in the first instance.
- Although Miss R said Amtrust caused more damage when it tried to clean the stains, I don't think it was wrong to try because the policy provides for cleaning as a first step. While I accept that Amtrust might not have used the appropriate cleaning method (water), the three pieces of furniture already had multiple stains, so it's more likely than not that they would've needed recovering anyway. This is also what Miss R thought Amtrust should've done.
- Miss R said Amtrust should've gone straight for the fabric replacement option rather than trying to clean, because by the time Amtrust had followed the steps and reached the option of recovering the furniture, the fabric had been discontinued. Miss R blames Amtrust's delays for the loss of matching fabric. The policy doesn't guarantee an exact match – it provides for the best possible match. But, looking at Miss R's emails to Amtrust, I see that she asked for a different fabric anyway, to which it agreed. She specifically said she wanted a fabric which wouldn't stain as easily. So, I can't fairly say that the discontinuation of the original fabric caused any significant detriment to Miss R.
- I understand Miss R is upset that she'd need to contribute towards the cost of replacing or recovering the undamaged chair. As the chair wasn't damaged, the full value isn't covered under the policy. However, Amtrust offered to contribute 50% towards the cost of matching the undamaged chair. Going back to the point above, Miss R asked for a different fabric, so she would've incurred the cost of matching the second chair anyway. I think Amtrust's offer to pay 50% towards matching the undamaged chair is fair and reasonable in the circumstances.

Overall, I can't say that Amtrust treated Miss R unfairly with the steps it followed when handling her claim. Its response was in line with the terms of the policy and I'm satisfied that was fair and reasonable in the circumstances.

## **Policy availability**

Miss R is unhappy that she hasn't had the benefit of her policy while the claim was ongoing. Looking at the evidence, I haven't seen anything to show that the policy was unavailable to her for other claims. For example, if she had accidentally damaged the previously undamaged chair, she would've been able to make a claim under the policy.

I understand Miss R doesn't think it's fair for Amtrust to use up her policy balance to indemnify her for the claim because she believes its actions contributed to the damage. While I see why she might think that – the cover would be cancelled once the policy limit was reached - for the reasons I've given above, I think it's more likely than not that the furniture would've needed recovering anyway because of the multiple stains evident on three of the four pieces before Amtrust tried to clean them.

Due to additional damage caused during the cleaning process, Amtrust offered to recover the furniture. As the fabric and replacement parts were no longer available, Amtrust then offered to replace the furniture up to the policy limit, or cash settle. Replacement of the furniture means the policy automatically comes to an end, regardless of whether the policy limit is reached. This is in line with the terms of the policy.

As I said, I can see why Miss R might think Amtrust caused her to lose the use of her policy. But it's also worth noting that the cover was only valid for five years from the date Miss R bought the furniture. She provided the sales invoice showing the date as October 2016. Miss R made her claims in January and March 2021 for incidents which happened between August 2020 and December 2020. Even if the seven claims she made during that time didn't use up the full policy balance, cover would have stopped anyway just a matter of months after she made the claims, and likely before the furniture was replaced. As it stands, because Amtrust offered to replace the furniture, the policy would end for those items.

So, Miss R would benefit from replacement of two sofas and two chairs, with her 50% contribution to the undamaged chair, and likely in a new fabric of her choosing. Coming just months before the policy was due to end, and as the offer matches Miss R's request for resolution of this part of her complaint, I don't think it's fair to ask Amtrust to do any more than this.

## **Delays**

The evidence shows that Amtrust didn't progress the claim as quickly as it could've done, so it agreed to pay the £200 compensation our investigator proposed. But Miss R asked for compensation for the loss of her policy balance and for the delays which caused her to lose the match of fabric.

As I've said, I haven't seen anything which persuades me that Amtrust caused Miss R any loss for which it would need to indemnify her beyond the offers it already made. And she asked for a change of fabric anyway, meaning the loss of match became irrelevant. Some of the delays were due to Miss R choosing fabrics, but I agree that Amtrust caused some avoidable delays. I can't reasonably say the evidence shows that those delays led to any significant loss to Miss R, so I'm satisfied that the proposed compensation of £200 is fair in the circumstances.

## **Conclusion**

In summary, Miss R had a policy with just over nine months left to run when she first made seven claims for damage to her sofas and chairs caused by separate incidents over a period of five months. Despite the policy not providing cover for multiple stains occurring over a

period of time, Amtrust accepted Miss R's claims and made a final offer to settle by replacing the damaged furniture and contributing 50% towards the undamaged chair, or cash settling.

I think its offer was fair and reasonable and I won't be asking it to do any more in respect of the claims. Miss R may wish to let Amtrust know which option she wants to accept if she hasn't already done so.

However, I'm satisfied that Amtrust caused some avoidable delays and for that I think it's fair for Amtrust to pay £200 compensation by way of apology.

### **My final decision**

For the reasons given above, my final decision is that I uphold Miss R's complaint and AmTrust Europe Limited must:

- pay Miss R £200 compensation by way of apology for the avoidable delays and inconvenience caused when dealing with her claims.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 23 July 2022.

Debra Vaughan  
**Ombudsman**