

The complaint

Mr A complains about Amtrust Europe Limited's handling of his furniture warranty claim.

What happened

Mr A owned two recliner chairs. In December 2020, he made a claim under his furniture warranty after the chairs experienced structural damage. Amtrust accepted the claim.

Due to the cost of repairs, Amtrust offered Mr A the option of replacement chairs, or a cash settlement of £583.28. Mr A said he would accept replacements.

Amtrust advised Mr A he would receive the chairs in July 2021. In June 2021, Mr A received two chairs from the retailer, but they were the wrong colour, so they were returned. Mr A was advised by the retailer that the correct chairs would be delivered in October 2021. This was then moved back to November 2021, and then to January 2022.

However, by mid-January 2022 Mr A still hadn't received the chairs. By this point, Mr A decided to purchase two new chairs elsewhere. He told Amtrust he wanted to cancel the delivery of the chairs, and accept the cash offer of £583.28.

In February 2022, Amtrust said the retailer wouldn't refund the money it had paid for the chairs, and that the chairs were available for delivery. However, it offered Mr A £100 compensation for the inconvenience he had experienced. Unhappy with this, Mr A brought a complaint to this service.

Our investigator recommended the complaint be upheld. She thought it hadn't been unreasonable for Mr A to replace the chairs himself, due to the delays. She recommended that Amtrust pay Mr A the previous cash settlement offered of £583.28. However, she thought Amtrust's offer of £100 for the inconvenience was fair.

Amtrust didn't accept our investigator's findings, and so the matter has been passed to me for a 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.

The policy says:

"If a repair cannot be achieved, we may choose to replace the damaged part. In the event of this not being possible, [Amtrust] may at its sole discretion provide a replacement product(s). Alternatively, [Amtrust] may at its sole discretion settle the claim by a cash payment instead of a repair or replacement. Any cash settlement will be limited to the equivalent cost of repair or replacement by [Amtrust]."

It seems a repair could have been carried out, but due to the cost of this, Amtrust offered Mr A two alternatives – replacement chairs, or for him to keep the damaged chairs and accept a cash settlement of £583.28. I see that the figure of £583.28 was based on the cost to Amtrust of the two replacement chairs. I think Amtrust's offer was reasonable.

Unfortunately, there were significant delays in replacing the chairs. Mr A was initially given a delivery timescale of 14 weeks by Amtrust, but this was then delayed several times by the retailer. I understand the delays were caused by the manufacturer. The retailer also made an error by sending the wrong chairs to Mr A.

I appreciate that this wasn't Amtrust's fault, as the delay was outside its control. However, when it became apparent that the chairs couldn't be delivered to Mr A within a reasonable timeframe, I would've expected Amtrust to have given Mr A the option to still accept the cash settlement, and taken up the delay with the retailer itself. It wasn't reasonable to expect Mr A to wait over a year for the chairs.

I therefore require Amtrust to pay Mr A £583.28 plus interest. As I appreciate Amtrust wasn't responsible for the delay past the initial expected delivery date of 2 July 2021, I only require Amtrust to pay interest from this date.

I think Mr A was caused inconvenience by the matter, but I'm satisfied the £100 Amtrust has offered is reasonable compensation in the circumstances.

My final decision

My final decision is that I uphold this complaint. I require Amtrust Europe Limited to pay Mr A £583.28. Interest should be added at the rate of 8% simple per annum from 2 July 2021 to the date of settlement.

I also require Amtrust to pay Mr A £100 compensation for the inconvenience caused, if this hasn't already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 September 2022.

Chantelle Hurn-Ryan
Ombudsman