

The complaint

Mr R complains about the way The Baxendale Insurance Company handled a claim against his marine insurance policy.

Reference to Baxendale include their agents.

What happened

The background to the complaint is known to all parties so I won't repeat it here. In my decision I'll mainly focus on giving the reasons for reaching the outcome I have.

In summary, Mr R moved from the United Kingdom to France in 2021. He took out insurance with Baxendale to insure his household items whilst being moved to his new address. Unfortunately, 32 items were damaged during the moving process, so he raised a claim.

Baxendale accepted the claim and cash settled part of it in October 2021. The settlement didn't include the more expensive items Mr R claims were damaged. Mr R says he thought the initial settlement was too low, but felt he had no other option but to accept it. He also says the remaining claim settlement for the other items remains outstanding and wasn't happy with the way things were handled. So, he approached our service.

I issued my provisional decision on 27 July 2022, which set out the following:

'Settlement one

Settlement one was paid to Mr R in October 2021. As all parties are aware of what items were included within settlement one, I won't list them here.

The policy says Baxendale can choose to pay a policyholder a cash settlement to reflect any damage caused. That's what happened here – although some items were damaged, they were still usable – even though Mr R decided to replace some items in any event. So, I think Baxendale applied the policy terms fairly.

There is, however, one item I think Baxendale should cover the full insured value for, which is the office chair.

Baxendale says the office chair is usable and provided a photo to substantiate this. Whilst this photo shows the chair upright, Mr R says he couldn't sit back on it or use the armrests. I find this plausible given all parties agree the chair was damaged. So, I'll be directing Baxendale to meet the remaining costs for this, plus interest, as Mr R has since replaced this.

As above, although the remaining items suffered cosmetic damage, they were usable following this, so I'm satisfied Baxendale settled the rest of this aspect of the settlement fairly – other than the office chair.

Settlement two

Settlement two I understand included items 14, 15, 16 and 24 on the household goods list.

Item 14 was repairable, so Baxendale offered to cover the cost of repairs by paying the repairer directly, as was item 15. Item 16 I understand Mr R was offered the full insured value of, which totalled £1,000, but this hasn't yet been paid. And item 24 was also agreed to be settled to the insured value cost, but also hasn't been paid. Therefore, Baxendale will need to settle items 16 and 24 as such.

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What I must consider, however, is Baxendale's decision to offer to settle the claim outside the policy terms for items 14 and 15. I find this was unfair. Mr R wasn't happy with this approach, and as such, the claim settlement has been delayed which has left Mr R with items damaged that haven't yet been resolved. Therefore, whilst I don't think interest should be included, I think Baxendale should compensate Mr R £300 compensation for the handling of this claim.

Items 29 and 30 Mr R claims were lost

Mr R claims these items were lost during the move. He says the items were documented by the moving company on an extra day they were required to pack his items, due to them underestimating the volume of his items. Hence why the items have been categorised as such.

Baxendale declined to cover these items as they say there's no evidence to show they were lost in transit, and Mr R received all the packages he shipped.

I appreciate this will be a more contentious part of my decision, given the level of evidence available to me. But having weighed this up, I place more weight on Mr R's testimony that these items were shipped but not received – I've no reason to doubt this. I say this because I can see a scenario where the moving company had a high volume of items and therefore had to take an extra day to pack them. And it's possible that – given the volume of items shipped – these could have been lost in transit. Baxendale say Mr R didn't categorise these items correctly, but it's also fair to suggest these items may have been categorised by the moving company, based on what I've said above. Mr R has already replaced these items, I've seen evidence of this.

So, I'll also be directing Baxendale to cover the insured value of items 29 and 30, plus interest.

Summary

Overall, I'm currently minded to direct Baxendale to settle the remaining aspects of the claim as set out above. I also think £300 compensation is fair, reasonable, and proportionate here given the way things were handled. Namely, Baxendale offered to settle aspects of the claim that fell outside the policy terms which I find caused further frustration and inconvenience to

Mr R.

I appreciate there will be aspects of my decision that will disappoint both Mr R and Baxendale. My role, however, is to reach a resolution that's fair and reasonable for all parties. And I'm currently satisfied what I've set out above reaches a fair resolution to this longstanding dispute.

My provisional decision

My provisional decision is I uphold the complaint. I currently intend on directing The Baxendale Insurance Company to do the following:

- *Pay Mr R the full insured value of the office chair (minus any amount already paid), and include 8% simple interest from the date of loss to the date of settlement*
- *Cover the repair costs for items 14 and 15 and pay this directly to Mr R*
- *Pay the remaining settlement for items that haven't yet been covered as part of the claim (items 16 and 24)*
- *Pay Mr R the full insured values of items 29 and 30, and include 8% simple interest from the date of loss to the date of settlement, and*
- *Pay Mr R £300 compensation for any distress and inconvenience caused.'*

Responses to my provisional decision

Mr R accepted my provisional decision, and Baxendale responded to say they had nothing further to add.

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 set out in detail my provisional findings in July 2022 based on the information available to me at that time. As neither party responded with new information or further points for me to consider, my provisional decision remains. As such, I'll now be requiring Baxendale to put matters right as follows.

Putting things right

The Baxendale Insurance Company must now do the following the settle this complaint:

- Pay Mr R the full insured value of the office chair (minus any amount already paid, and include 8% simple interest* from the date of loss to the date of settlement
- Cover the repair costs for items 14 and 15 and pay this directly to Mr R
- Pay the remaining settlement for items that haven't yet been covered as part of the claim (items 16 and 24)
- Pay Mr R the full insured values of items 29 and 30, and include 8% simple interest* from the date of loss to the date of settlement, and
- Pay Mr R £300 compensation for any distress and inconvenience caused.'

My final decision

For the reasons given above, it's my final decision that I uphold the complaint. I now require The Baxendale Insurance Company to settle the complaint in the way I set out under heading '*Putting things right*'.

**If The Baxendale Insurance Company considers that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr R how much they've taken off. They should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 October 2022.

Liam Hickey
Ombudsman