

The complaint

Mr D and Mrs D complain that Helvetia Schweizerische Versicherungsgesellschaft in Liechtenstein AG (Helvetia) unfairly declined their claim.

All references in my decision to Helvetia include their agents. For ease of reading, I'll refer only to Mr D throughout.

What happened

Mr D has a five year extended warranty for his four seater corner recliner sofa, which he purchased in November 2020. In February 2022, Mr D said the leather on the corner seat cushion was faded and peeling. Helvetia accepted this claim and made arrangements to rectify the problem under the terms of the warranty.

In March 2022, Mr D made a second claim for damage to the same seat. He said the cushion had gone flat, dipped, and felt different to the others. Helvetia then arranged for an engineer to inspect the damage. The engineer couldn't access the cushion interior, but he was able to inspect the sofa and take photographs of the cushion in its cover. He also checked the springs and framework of the sofa. In his report, the engineer concluded the damage had occurred due to "*a combination of a loss of resilience within the foam through typical settlement and compression of the foam*". He also described the seat as the "*most favoured*" as it was directly opposite the sofa. As a result, Helvetia said the damage wasn't covered under the terms of the warranty and declined the claim.

Mr D didn't think this was fair, he said the sofa was only 16 months old and was regularly used by two people. So, if the damage was caused by typical settlement and compression, he didn't understand why none of the other seats were impacted to the same degree. He also highlighted the fact the warranty provides cover for structural defects in cushion interiors.

An investigator then considered the complaint and upheld it. He said given the age of the sofa and Mr D's comments about its use, the damage should reasonably be considered a structural defect. So, he felt Helvetia should settle the claim.

Helvetia then requested a final decision. They said the manufacturer encourages consumers to rotate the use of the seats, and if the cushion interior was faulty, they'd reasonably expect all of the cushions to look the same.

So, I've considered the complaint afresh.

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 relevant rules and industry guidelines say insurers have a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably. So, the starting point

here is the contract between Mr D and Helvetia – the warranty terms and conditions. The terms define structural defects as “*Faults found outside the manufacturers guarantee period that have occurred due to faulty or defective components*”. They also say the policy provides cover for structural defects in “*Cushion Interiors and webbing*”. There is an exclusion for wear and tear and no cover is provided for structural defects in products with a defective design or specification.

I've carefully reviewed the engineer's report and the included photographs. These show significant damage to the corner seat as the cushion has dipped and looks unsightly. As detailed above, the engineer concluded the damage had been caused due to a loss of resilience in the foam and compression of the foam.

Mr D has explained that like most couples, he and his wife regularly use the sofa together. So, I don't find the engineer's assumption that the middle seat is the “*most favoured*” particularly convincing. I also haven't been presented with any evidence which suggests the seat has been used for anything other than normal use. The remaining parts of the sofa also appear to be in an excellent condition. So, if the damage had been caused by normal wear and tear, I'd reasonably have expected the other seats to have deteriorated in a similar way.

In any event, even if Mr D and his wife had solely used the corner seat (which I find unlikely), I'm satisfied most consumers would expect a sofa cushion to last more than 16 months, before it would show the amount of deterioration this one has. So, I think it's reasonable to conclude, the excessive loss of resilience is likely to be due to a structural defect in the cushion interior, which goes beyond normal wear and tear.

Overall, while I appreciate, Helvetia relied on an engineer's report, I'm not satisfied their decision to reject Mr D's claim was reasonable. The warranty provides cover for structural defects in cushion interiors and based on all the evidence, and surrounding circumstances, I think this is the likely cause of the damage here. I'm also satisfied that none of the warranty exclusions reasonably apply.

Final decision

I uphold this complaint and direct Helvetia Schweizerische Versicherungsgesellschaft in Liechtenstein AG to settle the claim in line with the warranty terms and conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 30 March 2023.

Claire Greene
Ombudsman