

The complaint

Mrs P is unhappy with the decision made by Helvetia Global Solutions Ltd (Helvetia) following a claim for accidental damage to her sofa.

What happened

I set out the background to Mrs P's complaint in the provisional decision I issued on 9 February 2023, but I'll set it out again below.

Mrs P purchased fabric recliner sofas in December 2020. At the same time she purchased insurance for accidental events and stains. The terms and conditions explained '*The intention of this insurance is to provide cover for specific individual accidental events and stains to new upholstered fabric, leather and leather look furniture...*'

The terms and conditions further explained:

4 WHAT IS COVERED

ii) ACCIDENTAL DAMAGE

a) *Fabric and beds: **Accidental damage** resulting in a:*

- *Rip or tear*
- *Burn*

The definitions sections explained:

Accidental damage: *The sudden and unforeseen damage to the product(s) not otherwise excluded under this policy*

Product, products: *The item(s) detailed under '**PRODUCT(S) COVERED**' shown on the front of this Certificate of Insurance.*

The Certificate of Insurance listed '*The Products*' as

The Product:

*1 X COLLINS 2 STR POW REC X
2 2 X COLLINS CHAIR POW REC*

In September 2022 Mrs P noticed that her pet dog had chewed through the wires connecting the recliner function of her sofa. Mrs P contacted Helvetia to make a claim. Helvetia sent a specialist to investigate the damage. The specialist found that the sofa had been damaged by '*Chewed electrical cables*'.

Helvetia told Mrs P that they wouldn't be paying out for her claim. Helvetia said that the policy terms had not been met because '*damage caused by a pet, only applies to rips, tears, burns and stains to the fabric upholstery.*'

Mrs P wasn't happy with this response, saying that the policy was intended to cover her sofas for any accidental damage. Mrs P referred her complaint to this service.

Our investigator found that Helvetia had acted fairly and reasonably in applying the policy terms and conditions, and didn't recommend they take any steps to put things right.

Mrs P disagreed with the investigator's view. As the complaint couldn't be resolved, it was passed to me for decision.

I issued a provisional decision on Mrs P's complaint. This is what I said about what I'd 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.

Helvetia are the underwriters of this policy. Part of this complaint concerns the actions of the agent, company C. As Helvetia have accepted they are accountable for the actions of company C, in my decision, any reference to Helvetia includes the actions of company C.

(Mrs P also purchased recliner and headrest mechanism top-up insurance but this insurance is not the subject of this complaint so I haven't discussed it in my findings).

Helvetia say that the reason for declining Mrs P's claim is because 'damage caused by a pet, only applies to rips, tears, burns and stains to the fabric upholstery.' Helvetia say the damaged wires, which are mechanical parts, are not covered. When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner.

To decline Mrs P's claim, I would need to be satisfied that Helvetia have acted fairly and reasonably in their application of the policy terms. I have reviewed the policy exclusions for

Mrs P's insurance. I can't see any exclusions for mechanical parts. Because the policy terms do not specifically exclude cover for the mechanical parts of Mrs P's sofa, I don't think it's fair for Helvetia to rely on this as a reason for declining Mrs P's claim.

I've considered what Mrs P's insurance was designed to cover, and what's happened to Mrs P's sofa that's led her to claim. The terms and conditions explain 'The intention of this insurance is to provide cover for specific individual accidental events.' I'm persuaded that the damage caused by Mrs P's dog chewing the wires for her sofa, reasonably satisfies the type of damage the insurance was intended to cover.

The policy defines accidental damage as 'The sudden and unforeseen damage to the product(s) not otherwise excluded under this policy.' It's not disputed that the damage claimed for meets this definition.

*The definition of 'Product' is 'The item(s) detailed under **PRODUCT(S) COVERED**' shown on the front of this Certificate of Insurance.' The Certificate of Insurance includes the sofa Mrs P says has been damaged.*

I accept the terminology used by the specialist that inspected Mrs P's sofa recorded the damage as 'Chewed electrical cables.' But I don't think the absence of the wording 'rip', 'tear' or 'burn' to describe the damage materially impacts this decision.

The reason for this is the incident claimed for meets the definition of accidental damage, as defined in the policy terms and conditions. So although the technical report recorded the damage differently, having considered the claim circumstances overall, and specifically the

absence of any exclusions for mechanical parts, I'm satisfied the policy terms for accidental damage have been met.

I don't think Helvetia have done enough to make clear the policy limitations of Mrs P's policy. For Helvetia to decline Mrs P's claim on the basis that her insurance only covered fabric parts of the sofa, I would need to be satisfied that this was explained in the policy terms and conditions. I can't see that it was. There's no evidence that the policy highlighted the exclusion that Helvetia have relied on- that mechanical parts are not covered. So I don't think it would be fair to say that Helvetia have acted in line with the policy terms and conditions in declining Mrs P's claim.

putting things right

To put things right Helvetia must assess the claim for damage to Mrs P's sofa.

Helvetia must not decline the claim on the basis of the insurance only covering fabric parts. The claim must be assessed in accordance with the remaining terms and conditions of the policy.

provisional decision

For the reasons given above, I'm minded to uphold this complaint and direct Helvetia Global Solutions Ltd to put things right as set out above.

I invited both Mrs P and Helvetia to respond to my provisional decision. I did not receive any response from either party.

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.

As no further comments have been received, my provisional findings and decision remain unchanged.

Putting things right

To put things right Helvetia must assess the claim for damage to Mrs P's sofa.

Helvetia must not decline the claim on the basis of the insurance only covering fabric parts. The claim must be assessed in accordance with the remaining terms and conditions of the policy.

My final decision

For the reasons provided I uphold this complaint.

Helvetia Global Solutions Ltd must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 10 April 2023.

Neeta Karelia

Ombudsman