

The complaint

Mr H is unhappy with the way Fortegra Europe Insurance Company Ltd handled his claim under his furniture warranty.

What happened

Mr H took out a warranty with Fortegra in December 2020 for his new dining table. Around eight months later he noticed a small chip in the surface, so he claimed under his policy. Fortegra sent a technician to inspect the damage and accepted the claim was for accidental damage.

The table wasn't made of the material Mr H thought it was so before progressing his claim he wanted to speak with the retailer. In October 2021, he asked Fortegra to go ahead with the claim.

Fortegra said it couldn't repair the damage so it would contact the retailer for replacement availability. In November, Fortegra offered Mr H a like-for-like replacement or a cash settlement to live with the damage. The offer was in line with the warranty terms and conditions. A month later, Mr H chose the replacement table and a few weeks after that Fortegra placed the order.

The estimated delivery date was set for May 2022.

Mr H contacted Fortegra when the delivery date had passed, and it confirmed that it was an estimate only. Delivery was confirmed for the following month.

Unfortunately, the replacement table was damaged on receipt, so Mr H contacted Fortegra again. Fortegra said the damage was the retailer's responsibility, but it offered Mr H £50 compensation for the delays and another cash settlement or replacement. But Mr H was unhappy with the compensation offer and the further delay for another replacement. He brought his complaint to this service.

Our investigator thought Fortegra had handled the claim in line with the terms of the policy, but he didn't think its offer of £50 compensation was enough in light of the delays evidenced. He proposed an additional £150, bringing the compensation to £200.

Fortegra agreed to this, but Mr H didn't think it was enough. He said he'd been without use of a table for three months before the replacement, and he couldn't wait another three months for the second replacement. He said the situation had caused him and his young family distress, so he had to buy a replacement table. Mr H wanted a refund of the purchase price of his original table, and he asked for £615 compensation.

Our investigator asked Fortegra whether it was prepared to increase its offer, but it declined because it had already issued a cash settlement to Mr H which included the original cost of his table. Fortegra also said Mr H still had use of his original table with the small surface chip, so any inconvenience was likely to be minimal.

Our investigator considered the evidence again and recommended increasing the compensation by a further £150, bringing the total to £350. Fortegra didn't agree. It said the investigator's first proposal was fair and it would still agree to that outcome.

I issued a provisional decision in March 2023 explaining that I was intending to uphold Mr H's complaint but with a different outcome to that proposed by our investigator. Here's what I said:

provisional findings

There's no dispute that Mr H had a valid claim under his warranty. The issue is that he doesn't think Fortegra handled his claim within a reasonable timescale, and he experienced further problems after the claim should've been settled.

The period from Mr H's claim to receipt of the first replacement table was around nine months. Looking at the timeline, two months of that was due to Mr H trying to resolve something with the retailer directly and his delay letting Fortegra know whether he wanted a replacement. I see Fortegra didn't place the order immediately, causing a few weeks delay. And then there was a further month delay from the estimated delivery date to the actual delivery. The time up to then was waiting for availability with the supplier. I can't fairly hold Fortegra responsible for the first four months waiting for the table to become available because Mr H accepted the waiting time when he agreed to the replacement option. But I agree that Fortegra did cause some delays over the whole process of around three months.

Moving on to the second part of the claim, I accept that Mr H would've been frustrated at receiving a damaged replacement table. While I can't hold Fortegra directly responsible for the damage, it is responsible for settling the overall claim. Therefore, it's reasonable that Mr H expected Fortegra to put matters right rather than be directed back to the supplier.

Looking at the offers Fortegra made, I'm satisfied that they remained in line with the policy terms and conditions. But Mr H no longer wanted a replacement table because of the further delays that would incur. I can understand he felt that way and that he just wanted the matter settled.

As it stands, Fortegra has paid Mr H a cash settlement of £599, which was the full value of his dining table as new. Fortegra has also agreed to pay £200 compensation for its part in the delays and inconvenience caused.

I've thought about whether compensation of almost £800 is enough in light of the service shortfalls and inconvenience caused. During the claim period, Mr H hasn't been without use of a dining table for any great length of time, if at all. That's because Fortegra didn't remove the chipped table until the day the replacement was delivered, so Mr H had full use of the table until the end of June. And I see he bought a new table at the end of July which was a week or so before the damaged replacement table was removed. I'd expect Mr H to take reasonable steps to minimise the impact on him and his family while Fortegra handled his claim, so I don't think it's a shortfall in service on Fortegra's part that Mr H chose to buy a new table rather than wait for another replacement. And given his dissatisfaction with the material out of which his original table was made, I can't say that there's evidence of a loss there.

So, I don't think the evidence shows any significant inconvenience or distress caused by Fortegra, or any significant avoidable delays. Therefore, I don't think it's reasonable to increase the overall award to £949, nor is it reasonable to increase it to £1,214, which is what Mr H has asked for.

I said I was planning to ask Fortegra Europe Insurance Company Ltd to pay Mr H £200 compensation in recognition of the avoidable delays and inconvenience caused during its handling of his claim.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Fortegra had nothing further to add.

Mr H responded to say that consideration hadn't been given to Fortegra's decision to refund the cost of the table only after he brought the complaint to this service. Mr H also said he paid for the replacement table on his credit card, and it was almost three months before Fortegra paid him under his policy.

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.

Having done so, I've decided to uphold Mr H's complaint, but I won't be asking Fortegra to increase its compensation payment.

I looked again at the evidence to decide whether Mr H's comments made a difference to the outcome. As I said in my provisional decision, Fortegra offered a second replacement table in line with the policy terms and conditions, and I can't hold it responsible for Mr H's decision to buy a new table instead.

While there was a small delay between Mr H buying the table and Fortegra issuing payment under the policy, that's not something I can address here. That's because it was a matter settled after Mr H brought the complaint to our service and Fortegra hasn't had an opportunity to respond directly.

In summary, and for the reasons I've already given, I'm satisfied that £200 adequately addresses the avoidable delays and inconvenience caused during Fortegra's handling of Mr H's claim. Therefore, I won't be asking it to increase the payment.

My final decision

For the reasons I've explained above, and in my provisional decision, I uphold Mr H's complaint and Fortegra Europe Insurance Company Ltd must:

- pay Mr H £200 compensation in recognition of the avoidable delays and inconvenience caused during its handling of his claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 April 2023.

Debra Vaughan
Ombudsman