

The complaint

Miss B is unhappy with Amtrust Europe Limited's handling of her claim for a damaged sofa.

What happened

In November 2020 Miss B submitted a claim for damage to her three-seater sofa. The claim didn't proceed until March 2021 as Miss B hadn't completed a claim form until then. Amtrust sent a technician to inspect the sofa in March 2021 at which point Miss B says damage to the second sofa was noted.

The engineer ordered a new part for the three-seater and later tried to get in touch with Miss B to inspect the second sofa but was unsuccessful. In September 2021 Amtrust told Miss B the parts for the three-seater weren't available and that a new claim was required for the extra damage.

In December 2021 Amtrust provided an estimated delivery date for the replacement parts and the technician was instructed to inspect the second sofa. The technician tried calling Miss B several times in December/early January without success. So a letter was sent regarding the inspection of the second sofa.

The parts were once again out of stock in January 2022 and Miss B was offered the option of selecting a new sofa, but this was withdrawn in early February as the parts had become available. Amtrust had also merged the claims for both sofas.

In early April 2022 Amtrust said the parts weren't available as they had been lost in transit and offered Miss B the option of selecting another sofa or cash settlement. There were a few different valuations given for a replacement until the final offer of £2298 for both sofas was provided.

Miss B has reselected a sofa but was unhappy as the replacement value only covered a three-seater sofa and she would have to pay out of her own pocket to replace the two-seater sofa. She was also unhappy with the delay in the claim and the overall service Amtrust provided.

Amtrust accepted there had been a lack of communication and delays throughout the claims process. They apologised and offered £275 for the distress and inconvenience caused.

Miss B referred her concerns to this service. Our investigator thought that the replacement value offered was fair but Amtrust should pay £500 for the distress and inconvenience caused. As Miss B and Amtrust didn't agree it has been passed to me to decide. I issued a provisional decision in February 2023 and another on 9 May 2023 which said:

What I've provisionally 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.

When I first reviewed this complaint, I issued a provisional decision which said:

“I understand Miss B’s strength of feeling in relation to this complaint. Whilst I have considered all the information provided by both parties, I haven’t commented on all of it. I’ve only addressed the issues I consider to be the key points of the complaint. This isn’t meant as a discourtesy but reflects the informal nature of our service.

Amtrust have a responsibility to handle claims promptly and fairly. The terms and conditions of the policy set out the agreement between Miss B and Amtrust and detail what is and isn’t covered.

Amtrust accepted the claims for accidental damage to the sofas and in line with the terms first offered a repair. When the parts weren’t available, they offered a replacement to the value of £2,298 which covers the total amount Miss B paid for her three-seater and two-seater sofas when purchased.

The terms say: “The most the Insurer will pay under this Furniture Protection Plan is limited to the original purchase price of your product”

Amtrust have therefore complied with the terms and conditions in offering the replacement value equivalent to what Miss B originally paid. I understand Miss B has said that due to inflation, she has only been able to replace the three-seater with the amount offered. And had Amtrust provided the replacement option sooner it may not have cost her as much. However, the policy was a five-year policy where any replacement value would be capped at the original purchase price so there was always a possibility that prices would increase but this doesn’t mean Amtrust are liable for it.

There were significant delays in Amtrust settling the claim, although I note some of the delay was in Miss B’s control the majority was due to Amtrust’s handling. I understand they were looking to replace the damaged part and there was no timescale given as to when this might happen. But they were consistently changing how the claim would be settled and hadn’t kept Miss B adequately updated.

Once they had decided on replacing the sofas, they further confused Miss B by providing different replacement values.

Amtrust accept the service wasn’t what it should’ve been and offered £275 and I think this is fair and reasonable taking account of the impact on Miss B.

I know it has caused Miss B distress and inconvenience and I recognise the delay was significant. But I’ve also considered that Miss B had use of the sofas throughout this time and she said “she wasn’t bothered about getting a replacement she wanted the claim sorted”.

Though I accept it can be stressful having an outstanding claim, I note a repair was a preferred option for Miss B, the delays were incurred waiting on a replacement part. It’s unfortunate the part went missing and I recognise the further distress this would’ve caused but overall, I’m satisfied the apology and £275 offered fairly reflects the distress and inconvenience Amtrust caused.”

Miss B has provided further submissions explaining why she feels the compensation offered isn’t enough to cover the distress and inconvenience she experienced. She also highlighted concern that the remaining credit, after the purchase of the replacement three-seater, was less than it should have been and that she felt it would be fair for this to be paid to her.

I asked Amtrust about this to establish the remaining amount of credit and if this could be held on a non-expiry basis so Miss B could use it to purchase the two-seater when she had the funds available. Amtrust said Miss B was offered the full indemnity of the policy as a reselection so she could choose replacement furniture. She selected a three-seater sofa that was £179 less than the reselection amount offered. So, £179 was left in the indemnity and this didn't have an expiry. However, they said as replacement of the damaged items terminates the policy any funds left in the indemnity would be lost as the policy has put Miss B back into the position she was in before the loss.

The policy terms and conditions say:

"All cover under this plan and all benefits will automatically end on the earliest of the following:

- a. 5 years after the date of delivery of your product*
- b. The date G replaces your product in full or has made claim payments equal to the limit set out in section 2,*
- c. In the event of fraud or misrepresentation or an attempt of such by you or anyone acting for you; or*
- d. You cancel your policy as per section 9 below."*

In settlement of the claim Amtrust provided £2,298, the total amount she originally paid for her sofas, for Miss B to replace her three-seater and two-seater sofas. Miss B has only been able to replace the three-seater so far due to inflation and the cost of replacement. This left £179 in the indemnity for her to use towards the replacement of the two-seater. It isn't fair or reasonable that this is now no longer available. The terms say the plan ends on "the date G replace your product in full or has made claim payments equal to the limit set out in section 2". The limits of cover say:

"The most the Insurer will pay under this Furniture Protection Plan is limited to the original purchase price of your product up to a maximum of £15,000"

Miss B hasn't yet replaced the two-seater sofa and hasn't received the full original purchase price. On that basis, the remaining £179 credit should still be available.

As Amtrust have advised the policy is now terminated and the impact this has on any credit available, I think in addition to the £275 offered for the distress and inconvenience it caused, they should also pay Miss B £179 to make up for the redemption value that is no longer being held on her plan.

Although I haven't commented on everything said. I want to assure Miss B that I have fully considered her further comments in relation to the compensation. However, for the reasons explained in my initial assessment I think £275 offered is fair and reasonable for the distress and inconvenience caused taking account of the overall service Amtrust provided.

My provisional decision

For the reasons given above, my provisional decision is that Amtrust Europe Limited should pay Miss B the £179 owed in relation to the redemption value as well as £275 offered for the distress and inconvenience it caused. Making a total payment of £454.

Responses to my second provisional decision

I didn't receive any response from Miss B or Amtrust.

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 there were no further comments from either party for me to consider, I see no reason to deviate from the outcome reached in my provisional decision dated 9 May 2023.

My final decision

My final decision is that Amtrust Europe Limited should pay Miss B £179 that is owed in relation to the redemption value as well as £275 offered for the distress and inconvenience it caused. Paying Miss B a total of £454.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 June 2023.

Karin Hutchinson
Ombudsman