

The complaint

Mr S complained about how Fortegra Europe Insurance Company Ltd (Fortegra) dealt with a claim under a furniture warranty.

What happened

Mr S contacted Fortegra to make a claim when his sofa was damaged. Fortegra tried to repair the sofa but was unable to do so. It later offered to replace the sofa and to contribute 50% towards the cost of a second sofa as Mr S's sofas would no longer match.

Mr S complained because he said he couldn't replace his sofa for the amount offered. Fortegra said it had offered a fair settlement under the terms of the policy. So, Mr S complained to this service. Our investigator upheld the complaint. He said Fortegra needed to settle the claim at an amount that allowed Mr S to replace his sofa and with a 50% contribution towards the cost of a second sofa due to the loss of match. He also said Fortegra should pay £300 compensation because of the delays in progressing the claim and the lack of updates throughout.

Fortegra didn't think the outcome was fair because it was concerned there was no limit on the cost of the replacement sofa. So, the complaint was referred to me.

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 uphold this complaint. I will explain why.

Mr S's sofa couldn't be repaired. The same sofa was also no longer available, so it couldn't be replaced with an identical sofa. I reviewed this complaint and told both parties I considered it was reasonable to settle the claim for £1,258.50. This was because the sofa company told this service what the closest equivalent sofa was and how much it cost. Both parties were told the details of the sofa and that the settlement amount I considered reasonable was the cost of this sofa, plus 50% towards the cost of a second sofa due to loss of match.

I also said Fortegra could pay the settlement direct to the sofa company, rather than as a cash settlement to Mr S, as this was how it had previously proposed to settle the claim. I said I also thought it was reasonable for Fortegra to pay Mr S £300 compensation. Having reviewed what happened during the claim, I think there were delays in progressing the claim over a prolonged period and that Fortegra also could have done more to keep Mr S up to date on what was happening.

Both parties were invited to provide comments. Both Mr S and Fortegra said they agreed to resolving the complaint in this way. So, I'm issuing this decision to explain what I consider to be a fair and reasonable outcome to this complaint, along with my reasons for this, and to bring the complaint to a close.

Putting things right

Fortegra should settle the claim for £1,258.50, which it can pay direct to the retailer that would provide the new sofa, and pay £300 compensation.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Fortegra Europe Insurance Company Ltd to:

- Settle the claim for £1,258.50, which it can pay direct to the retailer that would provide the new sofa.
- Pay £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 November 2023.

Louise O'Sullivan

Ombudsman