

The complaint

Miss M complains about how Astrenska Insurance Limited (“Astrenska”) dealt with a claim she made on her insurance policy for her damaged laptop.

Astrenska is the underwriter of this policy, i.e. the insurer. Part of this complaint concerns the actions of its agents. As Astrenska has accepted it is accountable for the actions of the agents, in my decision, any reference to Astrenska includes its agents.

What happened

Miss M’s travel insurance policy provides her with extra cover in respect of her gadgets.

Miss M had a laptop that was worth around £3,000. While she was travelling the laptop sustained some damage so she made a claim on her travel insurance policy.

In February 2023 she sent her laptop to Astrenska and was told it required three parts and had some cosmetic damage. Miss M says she was told multiple times that the laptop was repairable.

In March 2023 Miss M was told the laptop was beyond economic repair. Miss M says she called the repairer immediately to request more information and was told due the parts being unavailable the laptop was deemed beyond economical repair. Miss M asked what her options were. She was told she could have her laptop returned to her or wait for the parts to come in. Miss M says she would wait for the parts to come in and if that wasn’t possible she wanted her laptop returned to her.

At the end of March Astrenska emailed to say there was a chance the parts would come in and asked how she wanted to proceed. Miss M confirmed her request for the device to be repaired. In the meantime Miss M called the laptop manufacturer to see when the parts would be available. She was told the parts would be available soon and would cost around £400 to repair.

On 21 April 2023 Miss M says she emailed Astrenska for an update and was told the laptop had been destroyed. Miss M says she made it very clear to Astrenska that if the laptop couldn’t be repaired she wanted it returned to her because she relied on it for her day-to-day life, and the settlement wouldn’t be enough for her to replace it.

Miss M later found out the laptop had been destroyed in March 2023, around six days before she received an email saying the parts may be available soon. Miss M made it clear to Astrenska that disposing of the laptop wasn’t an option and she was told it could be returned to her in the event it couldn’t be repaired, and this would enable her to have it repaired elsewhere.

Miss M says she been without her laptop since February 2023. She is self-employed and relies on the laptop for work as well as to communicate using specialised access equipment. Miss M says the whole matter has caused her considerable distress and anxiety. She relies

on access support workers for her work and day to day life and she's had to pay for their time at £30/hour to help her with the claim.

Miss M wants Astrenska to provide her compensation for the cost of the equivalent model of laptop that was destroyed without her consent together with the refund of insurance excess and the cost of the case. Miss M also wants a cash settlement for her and her support worker's time spent dealing with the insurance company's negligence together with payment for loss of work and undue stress. So, she referred her complaint to this service.

One of our investigators looked into things for her. He said Astrenska should pay Miss M the amount it would have cost her at the time of disposal for an equivalent laptop. He said the excess should be refunded together with the cost of the laptop case. He also recommended a payment of £250 to reflect the distress and inconvenience caused to Miss M.

Astrenska didn't provide any comments on the investigator's view of the matter. So, the complaint has come to me to decide.

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.

It's clear Miss M feels very strongly that Astrenska should pay to replace her laptop, cover the cost of the case and the cost of her support worker. And she was told by Astrenska that the laptop could be returned to her as an option if it couldn't be repaired. I recognise she feels let down by the service she has received. And I can understand her frustration.

I want to assure Miss M that I've read and considered everything I have received carefully, including telephone calls. My role is to consider the evidence to reach what I think is a fair and reasonable decision.

For me to say Astrenska should do something differently here I need to be satisfied it has done something wrong. And to decide this I've thought about the requirements Astrenska set out in its terms and conditions, as well as its processes, against the information Miss M has provided, to conclude whether I think it has done something wrong.

The relevant industry rules require insurers to handle a claim promptly and fairly. And they shouldn't unreasonably reject a claim.

The nature of the policy is to cover repairs resulting from damage or breakdown to a number of her devices. The policy says, "*We will arrange a repair if your gadget is damaged as the result of an accident.... If your gadget cannot be economically repaired, it will be replaced.*" Astrenska has relied on the following term to dispose of the laptop;

"If we replace your gadget the damaged or lost item becomes our property." So, Astrenska say because the laptop was beyond economic repair it became its property. And so it was free to dispose of it. But I don't agree.

Astrenska are responsible for assessing Miss M's claim. In order to do this it needs to inspect the laptop to ascertain whether it can be repaired or replaced. I have listened to the call between Miss M and Astrenska. During the call the agent explains he believes the laptop will be beyond economical to repair given the issue with the parts. He says Miss M can have the laptop returned to her and her excess refunded if she wants to get it repaired elsewhere. Miss M is clear when she says she wants the laptop returned to her and, at the very least, she wants someone to call her before any further action is taken. Miss M is assured that no

action would be taken without discussing it with her beforehand. So I don't think Astrenska explained the process to Miss M properly. It unfairly raised her expectations.

I have seen there were notes placed on Miss M's record to say she wanted the device back unrepaired. And given what she'd explained to the agent on the telephone, together with the notes on her file I think Astrenska should have contacted Miss M before taking any action in respect of the laptop.

Astrenska said it disposed of the device because it had been confirmed the laptop couldn't be repaired due to no parts being available. But by this stage the laptop had already been disposed of. Astrenska also say they have delegated authority to deal with claims as they see fit but I don't think that means it should ignore customer's requests to retain their devices.

The laptop was disposed of at the end of March 2023, and Miss M made it clear she didn't want the laptop declared beyond economic repair on 11 March 2023. And so I don't think Astrenska acted fairly in its handling of this claim.

Miss M obtained repair quotes from the manufacturer so I think she could have had it repaired had it been returned to her. Miss M has replaced the laptop with one of similar specification to the previous one. So, I have detailed what I think Astrenska can do to resolve this complaint below.

I'm satisfied Miss M was clear that she didn't want the laptop to be classed as beyond economical to repair. I think her account of what happened has been consistent and is corroborated by independent evidence. So I don't think it was reasonable for Astrenska to dispose of Miss M's laptop and offer her £1,500 for it.

Miss M queried whether the cost of her support worker would be included in any resolution of the claim. We don't compensate for the time spent in preparing a complaint. We look at the time spent sorting out a mistake and this is accounted for in any payment for distress and inconvenience.

Conclusion

The rules the financial Ombudsman are bound by set out that where a business makes an error, it's generally fair for us to recommend a business refunds any financial losses directly and solely caused by the error. So, it follows that since Astrenska refused to cover the actual cost of the laptop and I think that was unfair, I am relying on those rules to direct Astrenska to cover those costs.

And with this in mind, I think Astrenska should pay the compensation recommended by the investigator. I say this because I think it's in line with our general approach to compensation and the amounts we see awarded on complaints about similar situations; where a larger mistake like this has happened. And it's led to the level of distress and inconvenience Miss M has told us about.

Putting things right

To put things right I direct Astrenska to;

- Pay Miss M the amount it would have cost her at the time of disposal for an equivalent laptop,
- Refund £95 for the excess Miss M paid,

- Pay Miss M £18.99 for the cost of the laptop case,
- Pay Miss M £250 for the distress and inconvenience caused

My final decision

For the reasons I've explained above I uphold this complaint and direct Astrenska Insurance Limited to resolve the complaint by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 December 2023.

Kiran Clair
Ombudsman