

The complaint

Mr and Mrs M have complained about the way in which Amtrust Europe Limited ('Amtrust') handled their accidental damage claims under their furniture insurance policy. For the avoidance of doubt, the term 'Amtrust' includes reference to its agents and representatives in this decision letter.

What happened

Mr and Mrs M sofa and armchair were damaged accidentally in 2022 and 2023. They made three claims under the furniture insurance policy which they'd taken out with Amtrust in 2018. Mr and Mrs M felt they'd experienced lengthy delays and communication issues in getting their claims resolved. They also had an on-going issue in relation to the solutions offered by Amtrust as the damage no longer appears to be repairable. The offered solutions are now the subject of a separate complaint to this service.

As Mr and Mrs M were unhappy with Amtrust's response to their complaints, they referred them to this service. The relevant investigator explained that due to time limit rules which bind the service, that she couldn't consider events which took place before Amtrust's final response letter of November 2022. In the circumstances, she considered relevant events between November 2022 and the end of April 2023.

The investigator upheld Mr and Mrs M's complaint with regard to delays and communication failures up to this date. She therefore recommended payment of a total of £175 in compensation for the distress and inconvenience caused by Amtrust's handling of the matter. Mr and Mrs M requested a further review of their complaint, and the matter has been referred to me to make a final decision in my role as Ombudsman.

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.

The key issue for me to determine is whether Amtrust treated Mr and Mrs M in a fair and reasonable manner in providing its service under the policy between November 2022 and April 2023. I don't consider that it did in all respects, and I therefore uphold Mr and Mrs M's complaint and agree with the level of compensation, being £175 in total, as awarded by the investigator for the following reasons. In reaching this final decision, I've considered the submissions of the parties as summarised below.

I turn firstly to Mr and Mrs M's submissions. They explained the background to their complaint in detail. They said they'd bought insurance to cover any accidents and there had been three separate accidental damage incidents in relation to their sofa and armchair. The first involved staining to their sofa, the second involved a scratch or pulled thread on the same sofa, and the third related to staining on their armchair.

Prior to making their complaint, a technician visited in relation to the pulled thread damage and said Mr and Mrs M would need a replacement cushion cover. They therefore delayed

getting anyone out to deal with the separate claim regarding stains; *'because there was no point him trying to treat the stains if we were going to be getting a replacement cover anyway.'* After a lengthy delay, a new cover was delivered, but it wasn't the correct fabric. Mr and Mrs M were then told that Amtrust wouldn't be able to replace the cover, so it offered Mr and Mrs M the choice of buying a new sofa or having a cash settlement, and they assumed that Amtrust would re-open the claim regarding the stain damage. If they took cash settlement, they also understood that they would lose insurance cover on the armchair and a second sofa. They also thought the offer of a new sofa was lower than it should have been.

In March 2023, Mr and Mrs M made a complaint that an e-mail of early January 2023 about the pulled thread hadn't been answered and they felt they were receiving conflicting information as to whether they could proceed with having a technician to inspect the armchair damage. They also felt that Amtrust hadn't understood their complaint, so they provided additional information. At the same time, another department answered points about the pulled thread claim and explained that a deduction it had reference in the option to buy a new sofa related to an entirely different item of furniture.

A technician then visited towards the end of March 2023 to deal with the stain on the armchair, but he was unable to fully remove it. After this, Mr and Mrs M e-mailed Amtrust to inform it about the issue, and also to ask about the status of the claim regarding the sofa stain which was on hold. They then received no further communication for well over eight weeks. In July 2023, Mr and Mrs M then received a replacement offer from Amtrust with revised figures in it for the two solutions of furniture reselection or cash settlement. They felt it was unclear as to what this related to and this is now subject to a fresh complaint.

Mr and Mrs M didn't feel they had clarity on the question of whether the armchair claim would be resolved in any event or whether any resolution was dependent upon the options being offered in relation to the sofa claims. In summary, they felt that they should be paid compensation for lengthy unnecessary delays and for the amount of time they'd spent in trying to get simple questions answered by Amtrust.

In conclusion, Mr M said that due to a health condition, he'd found that dealing with this issue had been very stressful. In addition, the extremely slow responses from Amtrust meant that it was several months before Mr and Mrs M were able to get one of the stains removed on the armchair and even longer to find that it couldn't replace the fabric. They'd also had to give up time to stay in for delivery of the incorrect replacement sofa cushion cover and for a follow-up visit by a technician, and they still had a damaged and stained furniture. Mr and Mrs M had bought the insurance on the understanding that it would mean they would be protected against the effects of accidental damage or staining to the furniture and the policy hadn't provided it.

I now turn to Amtrust's submissions regarding this matter. Amtrust's offer in January 2023 gave two options. One was to select a new sofa of a similar specification to the original and if the order exceeded the reselection amount in the letter, Mr and Mrs M would need to pay the difference and the cover would be ended in relation to the damaged sofa. As for the cash settlement offer, it was explained that this applied where the policyholder was happy to live with the furniture in its current condition. It explained that the settlement was based on anticipated costs incurred to Amtrust.

It explained this offer further in February 2023 and stated that the offer on the sofa wouldn't be affected unless the outcome of the armchair claim resulted in another reselection, in which case, it would be likely to merge the claims. In March 2023, it explained that the manufacturer had ceased trading and could no longer supply a replacement cushion cover. It also said that the replacement chosen would need to be a sofa but could extend to armchairs and footstools. It explained that the previous claims figure referred to a technician

call-out in 2021 and new chaise cover. The cover ceased in the event of a cash settlement as Mr and Mrs M would be free to use the financial settlement for any reason they chose.

Amtrust confirmed to Mr and Mrs M that having the technician out in relation to the armchair wouldn't change the offers of settlement already made in respect of the pulled thread claim and that Mr and Mrs M would still be able to accept either option in the offer, regardless of the outcome of the armchair claim. If no repair was possible however, it would merge both claims together to make one reselection offer, taking into account all of the damaged furniture, so this would increase the offers previously made. This ultimately resulted in the withdrawal of the January offer and its replacement by the July offer.

Amtrust confirmed that it was unable to repair the sofa and armchair and it gave similar options to those given previously and with different figures. In terms of reselection, it recognised that there were matching items and said it would also offer 50% of the value of the matching items. It said: *'This option allows you to choose a new item (which must be from the retailer that sold you this insurance policy) up to the value of your remaining policy limit.'* It explained that this limit was the price originally paid for the furniture, including 50% of the matching items, being just under £5,000 minus the value of previous repair claims costs which were for just under £200. It said that the value of the replacement item could therefore be no more than just under £4,800. The second option provided was a cash settlement, on the same basis as previously but at a level of just under £2,400.

In summary, for the claims relating to the sofa, it explained that both related to the same location on the sofa and so the solutions were provided based on the sales order information provided by the customer. It said that once the claim was made for staining to the armchair, and as reselection had already been offered for the sofa, the claims were merged and resulted in the revised offer of July 2023 which covered reselection of both damaged items and 50% of the remaining undamaged matching item.

I now turn to the reasoning for my decision to uphold the complaint and to award compensation in the total sum of £175. The starting point will be the policy terms and conditions. In this case it's clear that Mr and Mrs M paid Amtrust for insurance cover in the case of accidental staining or accidental damage to their furniture, other than damage caused by matters such as normal use and ageing. I note that Mr and Mrs M have lodged claims about accidental damage caused to a sofa and also to an armchair and that these claims have been accepted by Amtrust in principle. I note also that certain attempts have been made by Amtrust technicians to arrange for repair and cleaning or to supply materials to clean the staining. However, these attempts were ultimately unsuccessful.

I can understand that some of the delay was due to Amtrust not moving straight to reselection or cash settlement offers where a repair option remained available. In this case the original manufacturer was no longer trading but another manufacturer was producing replacement parts for this range. There was then a need to go back and forth with the manufacturer before they accepted that they couldn't produce a match within tolerance. I consider this was unavoidable delay.

I note however that the unsuccessful attempts have eventually led to acceptance by Amtrust that a different solution needed to be found, comprising of options to buy replacement furniture or to accept a cash alternative. I can't say in the circumstances that the decision to merge complaints or to offer of alternatives was unfair or unreasonable, however I haven't made any determination about the fairness or reasonableness of the detailed offer made in January 2023. This is due to the fact that the offer has since been replaced. In this respect, Mr and Mrs M have complained about the details of that offer and is now subject to a separate complaint to this service.

I consider however that Amtrust have been responsible for some unreasonable delays in reaching the current position and include the following. Mr and Mrs M firstly suffered lengthy delays in waiting for the sofa seat cover to be replaced and also in waiting for technicians to attend. Whereas Amtrust had made some reasonable attempts to resolve the problem, ultimately the replacement wasn't suitable. Whilst as above, I consider that it was then reasonable to offer different solutions, I don't consider that Amtrust provided prompt and clear responses to Mr and Mrs M about the details of this offer from January 2023 to April 2023.

As to the blue armchair, Mr and Mrs M had asked Amtrust if they could now get a technician to come out and deal with the blue armchair claim and they were told that the claims team would contact them. As Mr and Mrs M didn't hear anything back, they raised a complaint about the delays on this claim, and a technician visited to deal with the stain on the blue armchair, but he wasn't able to fully remove the stain and there were then further delays in providing responses and solutions.

In the circumstances, I don't consider that Amtrust responded promptly or clearly to Mr and Mrs M's requests for information and complaints at various points. I note that Mr and Mrs M considered they were getting conflicting information as to whether they could proceed with having a technician come to their house to look at the armchair. Amtrust ultimately did confirm that they could proceed, and that this wouldn't reduce offers already made on the pulled thread claim. Whilst I appreciate that Amtrust was dealing with a range of issues with Mr and Mrs M's furniture, I do consider that it could have been clearer and more proactive in explaining to Mr and Mrs M how the claims would impact upon each other.

I do note that Mr and Mrs M were often waiting for responses and having to chase Amtrust for responses. I also agree that the information provided did not aid clarity and undoubtedly caused confusion. I agree with the investigator that this would have been frustrating and time consuming for Mr and Mrs M. I consider that compensation of £175 in total for the inconvenience caused is appropriate to recognise this. This compensation level has been reached taking a holistic approach in relation to all elements of the upheld complaints.

The amount of compensation is in line with our service's guidance in relation to complaints of this nature and takes into account Amtrust's service delays, communication failures and the frustration and confusion caused by Amtrust's handling of the matter. Accidental damage invariably causes some distress and inconvenience. The claims process likewise involves some unavoidable inconvenience, particularly where there are unsuccessful but reasonable attempts to repair damage. The compensation amount however recognises the additional unnecessary inconvenience which Mr and Mrs M have experienced in having to chase and seek explanations from Amtrust.

In conclusion, I agree with the service's investigator that compensation of £175 would be appropriate in light of the delays, lack of clarity, conflicting information and communication failures.

My final decision

For the reasons given above, I uphold Mr and Mrs M's complaint and require Amtrust Europe Limited to pay them £175 in compensation for the frustration and inconvenience caused, within 28 days of their acceptance of this final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 29 May 2024.

Claire Jones

Ombudsman