

The complaint

Mr J and Miss R complain about how Fortegra Europe Insurance Company Ltd dealt with their furniture protection insurance claim. Fortegra uses a business, which I'll refer to as G, to handle its claims and complaints.

What happened

Mr J and Miss R had furniture protection insurance, insured by Fortegra, which started in January 2022. In January 2023 they made a claim on the policy as their sofa had been stained by their pet's diarrhoea. Fortegra accepted the claim.

In January 2024 Mr J and Miss R complained to us about Fortegra's delay in providing replacement parts for their sofa and its lack of communication when they asked Fortegra what was happening. Mr J and Miss R detailed the inconvenience, stress and costs they said they had due to how Fortegra dealt with their claim.

At the time of complaining to us Mr J and Miss R were still waiting for the replacement furniture parts. They said as so much time had passed they now wanted Fortegra to refund the original cost of the sofa or replace the sofa with one of their choice at the cost of the original sofa.

After Mr J and Miss R complained to us Fortegra arranged for them to have a replacement sofa. And Fortegra offered Mr J and Miss R £300 compensation for their distress and inconvenience due to its delays and poor communication. Mr J and Miss R didn't think £300 was enough.

Our Investigator considered that Fortegra's £300 compensation offer reasonably compensated Mr J and Miss R for their distress and inconvenience. But he recommended that Fortegra pay the £263 cost for the furniture protection cover for the replacement furniture. Initially our Investigator also recommended Fortegra pay the £150 cost of removing the original sofa. But as Mr J and Miss R then told us they were able to dispose of the original sofa at no cost that's no longer an issue.

Fortegra disagrees it should pay for the new furniture protection cover. In summary it said:

- Although it accepted responsibility for some of the delay we hadn't taken into account that the main delay was caused by the manufacturer, which Fortegra wasn't responsible for.
- It had settled the claim up to the limit of indemnity as outlined by the policy terms.
- The policy specially said that replacement items wouldn't be covered under the original policy. And the furniture protection insurance was an option that Mr J and Miss R chose to buy for their replacement furniture, it wasn't a requirement.

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 relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

The policy says under the 'What is Covered' section:

'If a repair cannot be achieved, we may replace the damaged part. If this is not possible, (G) may provide a replacement product(s), or settle the claim by a cash payment at (G) and your Insurer's discretion instead of a repair or replacement (up to the limit of indemnity). Any cash settlement will be limited to the equivalent cost of repair or replacement by (G).'

Fortegra tried but couldn't satisfactorily clean the stains on the sofa and the replacement of the damaged parts weren't available in a reasonable time. So I think Fortegra ultimately reasonably settled Mr J and Miss R's claim by agreeing they could select replacement furniture up to the indemnity value of the original sofa purchase price, less costs incurred the policy.

The policy also says that if Fortegra '*replace the product, that replacement will not be covered under this policy*'.

So as Mr J and Miss R wanted their replacement furniture to be covered by a furniture protection policy they had to buy a new policy. There's no requirement in the original policy for Fortegra to pay for the new policy.

However, I have to decide what's a fair and reasonable outcome in all the circumstances. Mr J and Miss R had to wait a year to get a settlement to their claim, which was far too long. Fortegra says the manufacturer was responsible for the main delay to the settlement so its offer of £300 compensation for Mr J and Miss R's distress and inconvenience was fair. I've looked at the timeline of the claim and I'll set out the main events.

From the date of the claim, 18 January 2023, there was a delay until Fortegra technician's appointment on 2 March 2023. The next appointment was on 20 March 2023 and the technician's report says Mr J and Miss R wanted another clean of the stain. There was a further delay until the next appointment for 4 May 2023. The cleaning failed to remove the stains and the technician's report from 4 May says replacement parts for the sofa were required. But Fortegra then delayed ordering the parts until 7 June 2023. In Fortegra's final response letter it accepts it was responsible for those delays.

I can see from Fortegra's internal notes that on 7 August 2023 it called the manufacturer which said the order has been raised and would go into production that week, with an estimated delivery in five to six weeks. Fortegra added two weeks to the estimation and wrote to Mr J and Miss R giving an estimated delivery date of 2 October 2023.

Fortegra's notes say on 24 November 2023 Mr J and Miss R told it the replacement parts still hadn't been delivered. Fortegra then chased the manufacturer by email on 29 November 2023 and 19 January 2024 but got no response. When Fortegra called the manufacturer on 23 January 2024 the manufacturer said it had no record of the order. Fortegra then offered to settle the claim by providing a replacement furniture to Mr J and Miss R, which they accepted.

Mr J and Miss R had the distress and inconvenience of having a sofa stained from their pet's faeces for a year waiting for the replacement parts. They had the stress of the delay and not knowing what was happening due to Fortegra's poor communication. I think Fortegra's offer of £300 is a reasonable amount to compensate Mr J and Miss R for their distress and inconvenience for the period Fortegra has accepted it's responsible.

Mr J and Miss R's sofa was professionally cleaned several times but there were still bleach stains on several parts of the sofa. Understandably Mr J and Miss R bought blankets to cover the sofa to hide the stains. But as I don't think the cost of the blankets was as a result

of Fortegra's errors I can't reasonably say Fortegra need to cover the cost of the blankets, as Mr J and Miss R requested.

I've considered whether it's fair and reasonable for Fortegra to also pay the £263 for the furniture protection cover for the replacement furniture. I accept that the replacement parts not being provided was due to the manufacturer's error in losing the order. However, I think Fortegra should reasonably have done more than it did once it knew the replacement parts hadn't been delivered to Mr J and Miss R.

Mr J and Miss R say they told Fortegra on 19 October 2023 about the non delivery of the replacement parts, Fortegra's file says they told it on 24 November 2023. But whichever date Fortegra knew about the non delivery, rather than it emailing the manufacturer in November then sending chasing emails, I think it would have been reasonable for it to have called the manufacturer straightaway to see where the replacement parts were. Fortegra would then have known immediately that the manufacturer had lost the order and could have told Mr J and Miss R what had happened.

If Mr J and Miss R had known in November 2023 that the replacement parts hadn't been made I think it's probable they would have waited for the replacement parts. They didn't complain to us until late January 2024, and in the interim period on the estimated delivery time they should have received the replacement parts.

I note Fortegra's point that the policy on the new furniture was an option rather than a requirement. But I try where possible to put the consumer back in the position they would have been had the act or omission not happened. And here, if the claim had been settled by replacement parts Mr J and Miss R wouldn't have had the cost of the new furniture protection policy for the replacement furniture.

Even if in November 2023 Mr J and Miss R wouldn't have wanted to wait for replacement parts, Fortegra should have offered the replacement sofa at that point. So Mr J and Miss R had two additional months of distress and inconvenience about their stained sofa, including over the Christmas period. In those circumstances I think £263 would have been a reasonable amount for that additional period of distress and inconvenience Fortegra would have unnecessarily caused. So I might have awarded that amount for compensation for that additional period even if I had reached a different decision about the cost of the replacement policy.

So in the specific and individual circumstances of this complaint I think it's fair and reasonable for Fortegra to pay the £263 cost of the new furniture protection policy.

I understand that Fortegra has already paid Mr J and Miss R the £300 compensation for their distress and inconvenience, if not it must do so now.

My final decision

I uphold this complaint and require Fortegra Europe Insurance Company Ltd to pay Mr J and Miss R:

- The £300 compensation for their distress and inconvenience it's already offered, if not already paid, and
- £263 for the cost of the furniture protection policy on their replacement furniture.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Miss R to accept or reject my decision before 20 August 2024.

Nicola Sisk
Ombudsman