

The complaint

Mr S complains about how Admiral Insurance (Gibraltar) Limited handled and settled a claim he made under his home contents insurance policy for accidental damage to a sofa.

What happened

The background to this complaint, and my initial conclusions, were set out in my provisional decision dated 2 April 2024 – a copy of which is attached and forms part of this final decision.

In my provisional decision I explained why I thought AIGL had acted reasonably and fairly. And I outlined the reasons why I wasn't minded to uphold Mr S' complaint. I said

"What happened

Mr S held a home contents insurance policy with Admiral Insurance (Gibraltar) Limited, hereafter referred to as AIGL.

In October 2022, a family member accidentally damaged a large leather sofa within the lounge of Mr S' property. Mr S contacted AIGL to explain that one of the sofa cushions had sustained damage and the circumstances in which that had occurred. As this sofa was very large in size, Mr S was very keen that the leather used to repair the damaged cushion matched the remaining cushions.

Mr S' contents insurance covered him for matching sets. So, AIGL looked to repair the cushion to match the rest of the sofa and it instructed an agent, which I'll refer to here as "S" to undertake the repair.

Mr S wasn't happy with how his repair claim was handled and progressed by AIGL; he said he experienced delays, had to repeatedly request updates on the status and progress of his claim and stated that he was caused inconvenience by the overall claim handling process.

AIGL said it progressed the claim when it was able to speak with Mr S. It accepted there was an element of delay but argued that this was caused by either there being no response from Mr S when it contacted him or his refusal to have his sofa removed from his property.

The damaged cushion was ultimately repaired by S. But Mr S expressed dissatisfaction with the quality of the repair. He thought the colour and texture of the leather used to repair the damaged cushion was different to the leather that had been used to originally upholster the sofa. So, he said the cushion wasn't matching.

Mr S submitted two separate complaints about how AIGL had handled his claim. In his first complaint, Mr S explained that he was dissatisfied that there'd been a delay of almost 5 weeks from when he had contacted S to book the collection of his sofa. He also stated that he was unhappy at the length of time it took after the sofa was collected to receive an update on its repair. And he complained that the overall claim process had been delayed as a result.

Mr S' second complaint dealt with his concerns about the quality of the repair. He thought he'd been left with an unmatching cushion despite two attempts at repair. He said he'd been assured he'd have a call within 10 days but this didn't happen. And he said the way in which his claim had been handled was poor because he'd had to chase for progress updates, which had all protracted the claim.

AIGL responded to Mr S' first complaint on 12 April 2023. In its response it agreed that there had been some delay caused by S and it paid Mr S £50 in recognition of the distress and inconvenience this had caused. However, AIGL didn't uphold any other aspects of Mr S' first complaint.

When AIGL issued its final response to Mr S' second complaint it informed him it had found no errors in the service he'd received. So, it didn't uphold his second complaint.

Being dissatisfied with AIGL's response to his complaints, Mr S asked our service to investigate what had happened. Our investigator assessed this complaint and, while they empathised with Mr S, didn't recommend upholding it. They thought AIGL had acted reasonably and in line with the policy terms. AIGL accepted our investigator's view of this complaint. But Mr S didn't. So, I've been asked to decide the fairest way to resolve this complaint.

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.

I'm aware that I've summarised the events of this complaint. I don't intend any discourtesy by this - it just reflects the informal nature of our service. I've concentrated on what I think are the key issues. I can assure Mr S and AIGL that I've read everything that they've provided. So, if I've not mentioned something it's not because I haven't considered it. It's just that I don't think I need to comment on it in order to reach what I think is a fair and reasonable outcome.

I'm sorry to learn of the difficulties Mr S experienced after he notified AIGL that he wanted to make a claim under his policy. It's clear from the information he's provided our service that he's unhappy with the way in which AIGL dealt with his claim. And I can see that he feels that the repair undertaken by S was substandard.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

As I set out in the background to this complaint, our investigator didn't recommend upholding this complaint. They were persuaded the leather used to repair the damaged cushion was the same as the leather used to upholster the cushion. They explained that if the colour and texture isn't an exact match this is down to the fact that leather is a natural material. So, its appearance will change with age and wear and tear. Our investigator also stated that there was insufficient evidence of poor service.

While I'm not minded, at this stage, to disagree with our investigator's view of this complaint, they didn't comment on the other issues that Mr S raised in the first complaint he made. Both of Mr S' complaints against AIGL have been referred in time to this service. So, it's important

that Mr S and AIGL have a resolution from our service on all complaint matters that were raised. For this reason, I've drafted a provisional decision.

The crux of Mr S' complaint relates to whether AIGL met its policy obligations to him in repairing the damaged cushion. So, I'll address that issue first.

Mr S' policy with AIGL covers him for accidental damage. There's no dispute here that the cushion was accidentally damaged. This has been accepted by AIGL before this complaint was referred to our service.

The terms of Mr S' policy with AIGL set out how it settles claims. The terms state:

" we will decide to either:

- Repair the item*
- Restore the item...*
- Pay the cost of repairing the item*
- Replace the item as new, or*
- Pay cash in vouchers up to the amount we could repair, restore or replace the item for."*

Here, AIGL chose to repair the damaged cushion rather than to settle the claim in any other way. I'm satisfied that this approach is in line with the policy terms and conditions.

I mentioned in the background to this complaint that Mr S' policy provides matching sets cover. Here, this means that AIGL will pay for undamaged items within a matching set if a part is damaged beyond repair and it can't find a replacement. So, I have to decide whether AIGL has provided a repair solution to Mr S that is in accordance with the matching sets clause.

I note Mr S' request that we complete an in-person visit to verify what he's told us about the differences between the colour and texture of the leather used to repair the cushion, that's not something this service is able to do. And, in any case, I'm satisfied I can fairly reach a decision concerning Mr S' complaint using the available evidence.

I've thought very carefully about the content of S' report and I've considered the photographs provided of the sofa, damaged cushion and repaired cushion. Having weighed up all the evidence, I'm satisfied the leather used to repair the damaged cushion was the same as the leather that had been used to upholster the sofa when it was made.

I accept that it's likely the leather that S used may look or feel a little different to the appearance of the leather used to upholster Mr S' sofa. But that can be explained by the fact that leather is a natural material. So, its appearance will gradually change over time with age and wear and tear.

Mr S told AIGL that the leather used to repair his damaged cushion is matt while the rest of his sofa is shiny. I can see he's has been informed that a shine will build up with time and usage. I think that's reasonable because leather will be matt when new. I also think that the cause of the shine on the rest of his sofa is due to wear and tear and the general aging process.

I understand why Mr S may wish his cushion to be repaired in a way where the finish is identical to the rest of his sofa. But I can see that our investigator has explained to Mr S why his damaged cushion can't be repaired in this way. To do so, this would mean S would have

had to use leather of the same age and with the same wear and tear of the rest of Mr S' sofa.

Our service wouldn't expect an insurer to ask its agent to use worn leather to repair a sofa. As our investigator informed Mr S, worn leather wouldn't have the same structural integrity as new leather and AIGL wouldn't be able to guarantee the quality of the replacement leather if worn material had been used.

Even though Mr S may not feel the colour and texture of the repaired cushion matches the rest of his sofa, I'm satisfied that AIGL has provided the closest possible match it can. I say this because S used the same leather for the repair as the leather that was used to upholster the sofa when it was made. So, it's acted in line with the matching sets clause of Mr S' policy.

I'm persuaded that, with the passage of time, the new cushion will show the age-related changes that can be seen on elsewhere on Mr S' sofa. So, the appearance of the new leather will be more in keeping with the older leather.

For the reasons set out above, and based on the evidence I've seen, I'm satisfied that S repaired Mr S' damaged cushion appropriately and using leather that was in keeping with the matching set clause. I'm therefore not intending to uphold this aspect of Mr S' complaint.

I can see that Mr S referred to having 2 expert opinions within the complaint form he sent our service. Our investigator asked him to provide these reports to me so that I can assess this complaint with any additional evidence in mind. However, Mr S hasn't shared these reports. So, I can't take them into account. If, after considering this provisional decision, Mr S wishes to disclose written expert evidence I'm, of course, happy to consider this before reaching my final decision.

I'll turn now to the second part of Mr S' complaint, which is his assertion that he was promised the complaints department would contact him within 10 days of his complaint. AIGL disputes what Mr S has said about this; it contends that, having consulted business records, there's no evidence this assurance was given. And it states there was no evidence of a call back being arranged.

From the business records available to our service, I'm afraid I can't see any indication that AIGL promised Mr S a call within 10 days of him making his complaint. Had that assurance been given, I'm persuaded a record would have been made so that a diary reminder could have been created. There's no evidence of anyone promising to call Mr S within the timeline he claims.

Strictly speaking, we don't have the power to look at how businesses deal with complaint handling – as it's not a regulated activity under the legislation that governs our service. So, even if I did think AIGL hadn't done things well in this regard, I wouldn't be able to uphold that element of Mr S' concerns or make an award. I can't act outside the law. But I can see from AIGL's final response letter that it offered to look further into this complaint point. It asked Mr S to confirm the date and time of the call and name of the call handler when he said the assurance was given. I'm satisfied this demonstrates that AIGL wanted to treat Mr S' concerns seriously and investigate further. However, Mr S didn't respond to that request.

I've mentioned that part of Mr S' complaint is about perceived delay in how his claim was dealt with and I can see that AIGL addressed this in the first complaint Mr S made.

I can see that AIGL instructed S to inspect and repair the damaged cushion on around 3 November 2022. Given the chronology of the claim, I'm satisfied S was appointed at the earliest opportunity after the claim was reported.

While S was instructed at the earliest opportunity, it's clear there were delays in Mr S' sofa being collected and returned. To assist with this part of Mr S' complaint, AIGL has helpfully provided a detailed chronology setting out the efforts made to arrange collection of the sofa from Mr S and its return once restored.

Based on the chronology provided I can see that Mr S' sofa was initially booked for a repair on 14 December 2022. However, it's clear from the information provided that when S attended Mr S' property, he refused to allow his sofa to be removed from his home. Just over a week later, S offered to collect only the damaged part of the sofa from Mr S' property. This was also refused.

There appears to have been an impasse between Mr S and S regarding how to undertake a repair of the sofa. It's clear from the chronology provided, that Mr S informed S that he wanted any repair to be undertaken at his home. But, due to the work required to restore the sofa damage, S said this wasn't viable.

I can understand why Mr S wouldn't wish to have his entire sofa removed from his home – particularly around the festive period when, I'm sure, family were due to visit. However, I equally acknowledge the reasons why undertaking a repair within Mr S' home wouldn't be feasible here. In offering to take only the damaged part of the sofa away, I'm satisfied that S tried to sensibly address this impasse and mitigate the inconvenience to Mr S. It isn't clear why Mr S declined this offer.

I can see that Mr S refused to have his sofa collected again on 3 February. And it wasn't until 11 March 2023 that the sofa was collected. This was 5 months after the claim was notified to AIGL.

I understand that Mr S' sofa wasn't returned to him until 4 May 2023. So, he was without his sofa for just under 2 months. But I'm also aware that C attempted to return the sofa to Mr S on 14 April 2023, with him refusing its delivery.

It shouldn't have taken 5 months from the claim being notified for the sofa to be collected. I'm satisfied that if there'd been better communication between Mr S, AIGL and its agents this claim could have been progressed more proactively. But I think all parties bear some responsibility for this claim becoming unnecessarily protracted.

It's clear from the evidence I've seen that there were times during the claim where AIGL had to chase Mr S for his input. This caused avoidable delay as did Mr S' refusals to have the sofa uplifted or the damaged part of the sofa taken away for repair.

For AIGL's perspective, if it had understood sooner how Mr S wanted the repair of his sofa to take place there would have been less time wasted. I think it could have been made clear to Mr S at the outset that any repair would require the removal of the entire sofa and I'm persuaded this could have avoided some of the delay that protracted this claim.

AIGL has accepted some responsibility for the delay in Mr S' sofa being collected. I say this because it upheld this part of Mr S' complaint and paid him £50 compensation for the trouble and upset that had caused. In thinking about whether the compensation paid is fair and reasonable I've carefully considered the chronology of this claim.

When deciding what potential compensation to award I must take two things into account financial loss as a result of any business error and non-financial loss, including inconvenience and upset.

Mr S hasn't shared any evidence to show that he incurred a financial loss as a result of what happened. So, I can't make a compensation award here that covers financial loss.

When considering awards for non-financial loss there isn't a set formula that we use to calculate awards for particular errors. It's my role to consider what impact the business' actions have had on the consumer and to decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

It's clear that Mr S was caused trouble and upset as a result of delay by S in collecting his sofa. He was inconvenienced by what happened and I don't doubt he would've been frustrated.

I'm satisfied that an award of compensation is appropriate to reflect the inconvenience Mr S experienced. And having taken into account the trouble and upset Mr S is bound to have experienced here I'm satisfied that amount already paid by AIGL is in line with our approach in similar scenarios. I haven't seen enough evidence to persuade me that a higher award is warranted here. So, I'm not intending to ask AIGL to increase the compensation it paid to resolve this part of Mr S' complaint.

After Mr S' sofa had been collected by S, he said he had to repeatedly chase for updates on the status of the repair. He isn't happy with the length of time the repair took and the lack of updates he received. So, I'll comment on these issues next.

As I've indicated already, the sofa was collected by S on 11 March 2023. While he's stated he had to chase repeatedly for updates on the progress of the repair there's only evidence that Mr S contacted S once to do so. This was on 22 March 2023 and I can see Mr S was informed that the repair hadn't been completed at that time and was provided with an anticipated time-line for the repair process, which I think was reasonable.

I know Mr S is unhappy with the length of time the repair took. But, given the complexity of matching the repair to the rest of the sofa, I haven't seen any evidence to indicate that a quicker repair was possible. So, I can't fairly find that the timescale for repair was unreasonable here.

From the business records I've had access to, I'm satisfied that S made reasonable efforts to contact Mr S to arrange delivery of his repaired sofa. I'm satisfied that Mr S was contacted within 24 hours of the repair being completed. There's evidence voicemails were left when S wasn't able to speak with Mr S. And there's evidence that when Mr S refused the return of his sofa that situation was appropriately dealt with and escalated. It follows that I'm not intending to uphold this part of Mr S' complaint.

I recognise that Mr S believes that his claim was poorly handled. But I haven't seen any evidence of this. There was some delay for which Mr S was not responsible, but this was acknowledged appropriately by AIGL and compensation was paid for the trouble and upset this caused. I'm sorry to disappoint Mr S but for the reasons outlined I'm not intending to uphold this complaint."

In my provisional decision I invited both parties to respond with any additional information they wanted me to consider before I made my final decision, which is our service's last word on the matter.

When Mr S responded he provided a letter from a company called SF. However, he did not provide any representations or comments with this letter or explain the circumstances in which this letter had been obtained.

AIGL acknowledged the provisional decision and confirmed that it agreed with it. It also stated it had shared SF's letter with its head of restoration team and agent who undertook the sofa repair. It explained that, having shared the evidence Mr S had provided, it disputed that the quality of the repair was inferior and it rejected the content of SF's letter.

AIGL provided its reasons as to why it said I should not attach weight to SF's letter, which were essentially that new leather is dull as it has not built up the shine seen with older utilised leather. It also stated that the difference between the leather used to repair the sofa and the older leather was down to finish rather than colour or quality. AIGL also provided a close up photograph of the repaired sofa to indicate the difference in finish. And it offered to send a restoration specialist to Mr S' property to meet with him to discuss the repair further.

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'll explain why I'm not persuaded to depart from my provisional decision.

Mr S informed our investigator he had obtained 2 expert opinions but the only item of evidence he's disclosed pursuant to my provisional decision is the letter from SF. I'm sure Mr S will appreciate that I'm only able to assess this complaint based on the evidence he and AIGL have shared with our service. I can't consider information I haven't seen.

I've carefully considered the document Mr S provided from SF. From what I can see, SF appears to be a manufacturing company.

SF's letter is dated 18 April 2024. So, it was obtained around 12 months after the repair was undertaken. Within SF's letter it's unclear whether it has inspected the sofa in person, seen photographs of the repair or, in the alternative, relied on verbal information provided by Mr S.

SF asserts that the repair undertaken is unsatisfactory as it *"does not meet the expected standards in terms of colour, texture, structure and material used"*. It states its opinion on the quality of the repair is based on the visible discrepancies between the leather on the repaired area when compared with the original sofa.

As I set out above, AIGL informed our service that it had shared SF's letter with its head of restoration team and the contractor that repaired Mr S's sofa. It explained that the report from SF did not taken into account how shine on new leather is built up over time and this is something it would expect SF to be aware of. I think this is a fair comment.

It's unclear what expertise SF has in assessing repairs or damage to sofas. And, based on what I've seen, I'm not persuaded I've seen enough evidence to be able to conclude that SF can offer an expert opinion on the quality of the repair. Like AIGL, I'm persuaded that SF's letter does not reflect the differences between new unworn leather and leather that had been utilised for some time.

The photograph AIGL provided of the repaired sofa satisfies me that the difference between the old and new leather is down to a difference in finish. I remain satisfied that the replacement leather appears duller to the original areas of the sofa due to it being newer and less worn. It isn't due to AIGL having used an inferior leather.

AIGL has previously stated that, when polished regularly, the oils within the leather are built up gradually which causes the shine and character that is apparent on other areas of the sofa. And I remain satisfied that, with the passage of time, the new cushion will show the age-related changes that can be seen on elsewhere on Mr S' sofa. So, the appearance of the new leather will be more in keeping with the older leather.

I'm sorry to disappoint Mr S but I haven't seen enough to persuade me that the provisional findings I reached in my provisional decision are incorrect or unsafe. As I explained in my provisional decision, it isn't possible to use leather of the same age and with the same wear and tear of the rest of Mr S' sofa to repair the damaged part.

I remain persuaded here that AIGL has provided the closest possible leather match it can for colour and quality. I'm satisfied S has used the same leather for the repair as the leather that was used to upholster the sofa when it was made. So, I'm satisfied that AGIL has acted in line with the matching sets clause of Mr S' policy.

AIGL has offered to send a restoration specialist to Mr S' property to meet with him to discuss the repair further. But this isn't something I would have directed AIGL to do to resolve this complaint because I'm not persuaded it need take any further action for the reasons already outlined.

In the overall circumstances, I remain persuaded that this complaint shouldn't be upheld. This now brings to an end what we, in trying to resolve Mr S' dispute with AGIL, can do for him. I'm sorry we can't help Mr S any further on this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 June 2024.

Julie Mitchell
Ombudsman