

The complaint

Mr and Mrs M have complained about the amount Amtrust Europe Limited has offered to settle claims they made under their furniture insurance policy.

Reference to Amtrust includes its agents and representatives.

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.

Our investigator thought Amtrust had taken reasonable steps to put things right. I agree, and for the same reasons, so I don't think there's a benefit for me to go over everything again in detail. Instead, I'll summarise the main points:

- Mr and Mrs M bought three items of furniture in 2018 through a retailer – an armchair and two sofas – and took out a furniture insurance policy for them, underwritten by Amtrust.
- They got in touch with Amtrust in 2022 and 2023 to make claims for accidental damage to the armchair and ones of the sofas. Amtrust accepted the claims.
- Complaints arose about how the claims were being handled, and they were referred to this Service. In summary, Mr and Mrs M were awarded compensation for the way the claim had been handled up to the April 2023 complaint response.
- A new complaint was made about the amount Amtrust had offered to settle the claims for – and that's what I'll consider in this decision.
- In July 2023, Amtrust confirmed it couldn't repair the sofa or armchair. It offered two settlement options to Mr and Mrs M. Amtrust improved the offer in July 2024, during our complaint investigation, to:
 - Reselection. Up to £4,792.67 towards replacement furniture through the retailer, based on the full cost of replacing the two damaged items and half of the undamaged matching sofa, less repair costs already paid.
 - Cash settlement to the same value.
- Our investigator explained why she thought the two options were in line with the policy terms and fair and reasonable in the circumstances.
- Mr and Mrs M didn't think this was fair for two reasons:
 1. Amtrust should have continued dealing with the claim for staining to the sofa as well as making an offer in respect of the fabric damage to the same sofa.
 2. Mr M tried to log a new claim in late 2023 for further damage to this sofa and, at that time, hadn't accepted either offer – but Amtrust wouldn't deal with it.

- Our investigator wasn't persuaded to change her mind, so the complaint was passed to me. I'm also not persuaded these two points mean Amtrust should do more.
- In a nutshell, Amtrust offered to replace the damaged sofa because it couldn't repair one area of damage. Whilst another area of damage remained – and another arose later – I wouldn't expect Amtrust to take steps to deal with them after it had offered a replacement. That's because the replacement would resolve any and all damage, older or newer. I don't think it makes a difference that Mr and Mrs M hadn't accepted the offer of replacement. In my view, the key point is Amtrust had made the offer and given Mr and Mrs M the opportunity to have the sofa replaced.
- As a result, I'm satisfied Amtrust's July 2024 offer to settle the claim for £4,792.67, by reselection or cash payment, is fair and reasonable and it need do no more.

My final decision

I uphold this complaint.

I require Amtrust Europe Limited to settle the claim in line with its July 2024 offer.

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 22 October 2024.

James Neville
Ombudsman