

The complaint

Mrs N complains about Fortegra Europe Insurance Company Ltd (Fortegra)'s settlement offer for her claim on a furniture protection plan.

Fortegra uses a third party company to administer these plans and handle claims, and most of Mrs N's correspondence has been with this company rather than directly with Fortegra. However, Fortegra is the policy underwriter so her complaint is against it. For the avoidance of doubt, any reference to Fortegra includes its agents, including the claims handling company.

Mrs N is represented in this complaint by her husband but, for simplicity, I'll refer mainly to Mrs N in my decision.

What happened

Mr and Mrs N bought three pieces of furniture, including a three-seater leather sofa, in July 2022¹. They bought a furniture protection policy underwritten by Fortegra at the same time.

In January 2024, Mrs N made a claim on the policy. The circumstances in which the sofa was damaged are known to both parties and aren't contested so I'm not going to set them out here.

A brief timeline of the claim is:

- 3 January. Claim made.
- 10 January. Fortegra's technician tried to remove the stains but was unsuccessful. He concluded that three damaged areas of the sofa needed to be replaced. Fortegra ordered replacement parts from the manufacturer.
- 19 January. The manufacturer told Fortegra about a "*color [sic] difference problem*". It explained that Mrs N's sofa was a 2022 model but "*the leather now varies greatly from before.*" It said: "*Even with samples, it is difficult to match the color [sic].*" Fortegra discussed this with Mr and Mrs N and cancelled the order for replacement parts.
- 15 February. An internal note on the claim file said: "*Have checked colour on website and tech report but it doesn't look 100% website looks lighter.*" Fortegra made a 'pricing and availability' request to the retailer for a replacement sofa.
- 19 February. The retailer told Fortegra "*this leather is no longer available.*"
- 21 March. Fortegra asked Mr N whether they'd prefer "*settlement or reselection with the retailer.*" Mr N asked how much the cash settlement would be before they made a decision.
- 22 March. Fortegra requested a leather sample from the manufacturer to compare

¹ Not delivered until December 2022.

against Mrs N's sofa to see if it could be repaired.

- 25 March. Mr N told Fortegra that if the colour and thickness of the leather didn't match their sofa, they'd like *"the equivalent replacement furniture"*.
- 23 April. Fortegra received two leather samples from the manufacturer. It emailed Mr and Mrs N to say its technician would visit them with the samples.
- 1 May. Fortegra's technician showed Mr and Mrs N the two samples and compared them against the sofa. His report said: *"[One sample] was a good match and within an acceptable tolerance when checked against the outside back and arm. [Mr N] inspected and said it was different and advised that he would not accept parts with the colour."* Mrs N confirmed this by email the same day.
- 27 June. Fortegra sent Mrs N its final decision on her claim.

Fortegra told Mrs N that, based on its technician report, it felt one of the samples was a good colour match, so the best option was to replace the damaged parts. Alternatively, it offered a cash settlement of £365.70. It acknowledged that it hadn't responded to the claim *"as quickly and as efficiently as we would expect"* and offered Mrs N £100 to apologise for the inconvenience or distress this caused.

Mrs N didn't accept this. She says, in summary:

- The colour of the leather sample wasn't an acceptable match to her sofa.
- She's also concerned whether the new leather will match the thickness of her sofa. She told us she paid £350 for *"extra thick leather"*.
- The policy booklet she was given at the point of sale says: *"If the expert technician can't complete a repair or remove a difficult stain, [Fortegra] replace either the part or the individual item of furniture. If your original model is unavailable, you will be asked to choose something similar."*
- The Insurance Product Information Document (IPID) said: *"If [the damaged product] cannot be repaired, we will replace the damaged part/item, or offer a cash settlement up to the cost of the repair or replacement subject to the terms and conditions."*
- She'd like Fortegra to settle the claim by replacing her sofa as set out in the policy booklet and IPID. If it wasn't prepared to do this, she'd like it to offer a more realistic cash settlement so she can buy a replacement.
- She'd suggested Fortegra instruct an independent party to review whether the sample leather was a good match for her sofa, but it hadn't taken her up on this suggestion.
- Fortegra told her the sofa had been discontinued. However, she sent us screenshots of the retailer website showing the same sofa was available.
- She's unhappy with how long it took Fortegra to deal with the claim. For example, she says it took Fortegra five months to get samples to compare against her sofa.

Our investigator didn't recommend that the complaint should be upheld. He was satisfied that Fortegra's offer to repair the damaged parts of the sofa was reasonable. He thought its offer of £100 to apologise for its delays handling the claim was fair.

Mrs N disagreed, so the case was passed to me to make a final decision.

My provisional decision

I issued a provisional decision on this complaint on 20 February 2025. I said:

“Fortegra accepted the claim, so the only issue for me to decide is whether its proposed settlement is fair.

Section 3 of the policy document sets out what Fortegra will do to settle a claim. In summary, it will first try to repair the damage but if this isn’t possible it will replace the damaged part. If that isn’t possible, it will “provide a replacement product or settle the claim by a cash payment”.

The dispute is, on the face of it, straightforward. Fortegra thinks the sample leather is a good match for the sofa leather, so believes its proposed repair is fair and in line with the policy terms. It highlighted Section 6.5b of the policy: “We do not guarantee that any repair or replacement will be an exact match of grain, sheen pattern or colour. Any replacement parts will be matched to an inconspicuous area of the product and our liability is limited to the best job a [Fortegra] approved technician can do in the circumstances.” Mrs N disagrees.

I’ve studied the photos taken by Fortegra’s technician and Mr and Mrs N showing the sample against their sofa. Having done so, I agree with Mrs N. I don’t think Fortegra’s offer to replace the damaged parts of the sofa with the same leather as the manufacturer sample is reasonable for the following reasons:

- The sample was supplied by the manufacturer specifically for Mr and Mrs N. That is, it wasn’t an old or worn sample. So I don’t need to make any allowances for age or wear.*
- I accept the policy term gives Fortegra some flexibility when trying to colour match. However, I don’t think it’s fair for Fortegra to rely on this term in this case.*
- I think the technician’s photos are inconclusive. The sample looks like a good match in one photo (the second photo on page 2 of the report) but doesn’t in others (the first photo on page 2 and both photos on page 3)².*
- Mrs N’s photos are, in my opinion, much clearer. I’m satisfied that these show the sample leather is a noticeably different shade from her sofa leather.*
- I think a reasonable person would agree the sample isn’t a good match to Mrs N’s sofa. I accept Mrs N’s statement that “numerous people” have viewed the photo and said the match isn’t acceptable.*
- The damaged areas of the sofa are in plain sight and the difference in colour would be obvious.*
- The sofa was only a year old when it was damaged. I don’t think it’s reasonable to repair a one-year-old sofa with mismatched material.*
- I think Mr and Mrs N have been very fair throughout this process. They’ve been extremely patient and willing to consider all possible options. I don’t think their position that the sample is a poor match is unreasonable.*
- I think the manufacturer’s emails show it was concerned it wouldn’t be able to provide a good match. For example, it told Fortegra that “Even with samples, it is difficult to match the color [sic]” (email, 19 January) and “the color [sic] of different batches of sofa cover will be different in our stock” (email, 27 March).*
- The manufacturer’s 28 March email to Fortegra quoted the original colour code for Mrs N’s sofa. But this is the same colour code as the sample that Fortegra’s technician told Mrs N was a good match. The manufacturer had already said this was a different colour to the 2022 version. I don’t think it’s reasonable for Fortegra to argue that this was a good match when the manufacturer had said from the start that it wasn’t (“the leather now varies greatly from before”).*

² The photos on pages 5 and 6 of the technician’s report appear to be of the rejected sample.

I don't think Fortegra's cash settlement offer was fair either. I haven't seen any evidence to show how it calculated this or that it assessed "the equivalent cost of repair or replacement". Instead, it offered 10% of the original sofa price. I don't see how that's in line with the policy terms, and I don't think Fortegra has shown why it should limit any settlement to this amount.

For the reasons I've set out, I don't think Fortegra acted fairly because I don't think repairs are a fair settlement in this case. The question now is how to put things right.

I think there's been some confusion about whether the retailer could offer a replacement sofa "of a similar standard, specification and style" (Section 6.5f). Fortegra's 27 June letter said it had been "advised by the retailer... that they had discontinued the furniture." As Mrs N says, this is wrong. She sent us evidence showing the retailer is still selling the same model. I'm satisfied that the retailer only told Fortegra that the leather had been discontinued, not that the sofa had been discontinued. That's consistent with the manufacturer's initial warning that the leather on the new version of Mrs N's sofa was a different colour to the leather on her 2022 model.

As it looks like the retailer can offer a suitable replacement I think Fortegra should replace the sofa. I'd like both parties to comment on this when they reply to this provisional decision.

Finally, Fortegra accepts that it caused some delays dealing with the claim. While I understand that it had to wait a month to get the samples from the manufacturer, I don't think this fully explains why the claim took so long. I also note that Fortegra didn't request the samples until 22 March, almost three months into the claim. It made its offer at the start of May, then spent nearly two months considering Mrs N's objection.

Fortegra's internal notes suggest it considered replacing the sofa in February. It initially proposed a cash settlement or replacement to Mrs N on 21 March. From the internal claim notes, I think it was clear by the end of March that the manufacturer wouldn't be able to provide an adequate colour match for repairs. I think Fortegra should have offered a replacement sofa at this point. Its failure to do so caused Mrs N several months of inconvenience and stress while trying to resolve the claim.

I've considered the level of award made by this service in similar circumstances. Having done so, I think Fortegra should pay Mrs N £300. If it has already paid her £100, it can deduct this from my award. I'd like both parties to confirm whether this payment has been made/received when they reply to this provisional decision."

Responses to my provisional decision

Mrs N accepted my provisional decision. She confirmed that Fortegra had paid her £100 in February 2025.

Fortegra told us it had no further comments.

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.

As neither party had any more comments they wanted me to consider, I uphold the complaint for the same reasons set out in my provisional decision.

My final decision

My final decision is that I uphold the complaint and order Fortegra Europe Insurance Company Ltd to:

- Settle the claim by replacing the damaged sofa.
- Pay Mrs N another £200 to reflect the inconvenience and stress its handling of the claim caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 3 April 2025.

Simon Begley
Ombudsman