

The complaint

Mr S complains about Acasta European Insurance Company Limited's offer to settle his home appliance insurance claim for his television. My references to Acasta include its agents.

What happened

Mr S has home appliance insurance, insured by Acasta. The policy covered breakdown and accidental damage for his television which he bought over 25 years ago. He made a claim on the policy when the television started to not work properly.

Acasta accepted the claim. It said the television was beyond economic repair and offered Mr S the choice of two replacements. Option one was at no cost to Mr S and was the model Acasta said is the closest specification to his old television in today's market. Option two was the offer of an upgrade to a model Acasta said would cost Mr S £38.19.

Mr S didn't want to accept those options. He said his television had cost him about £1,500 when he bought it. He asked Acasta if it would provide one of two models he suggested as a replacement. Acasta said those models were considerable upgrades from Mr S' television so he would need to provide higher contribution costs, which it provided. Acasta told Mr S that the original purchase price of his television isn't a consideration in the settlement calculation.

Mr S complained to us. He said as he bought his television for about £1,500 Acasta should replace it with a television of a similar cost. The policy's maximum benefit was £1,000. Also Acasta hadn't offered him a television stand and he couldn't have the televisions Acasta offered as his accommodation's wall is too thin.

Our Investigator considered that Acasta's offer to settle Mr S' claim was fair and reasonable.

Mr S disagrees and wants an Ombudsman's decision.

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 (or settle) claims unreasonably.

The policy terms set out the contract of insurance between Mr S and Acasta so they are the starting point for my consideration. The policy says:

'In the event that your appliance cannot be repaired we will, using our discretion, either decide to replace with a new appliance of the same or similar make and specification or offer you a cash settlement in line with the current market value of your appliance. Usually this will be vouchers redeemable from a supplier chosen by us'.

Mr S' television was a 32-inch cathode ray tube type, manufactured many years ago and isn't a 'smart TV'.

The television Acasta offered Mr S, at no cost, is a 32-inch 'smart TV'. Acasta told Mr S that this model is the closest model to his television, and I haven't seen any evidence to the contrary. It also offered to upgrade the replacement television to a 40-inch 'smart TV' at a cost to Mr S of £38.19.

Mr S says that the market price of those two televisions is a lot less than the £1,500 he paid for his television. But this policy says Acasta can replace Mr S' television with '*a new appliance of the same or similar make and specification*'. Acasta correctly told Mr S that the original purchase price of his television isn't a factor to take into account when considering what television to offer as a replacement.

From the evidence I have Acasta's offer of the above first option meets the policy requirements and the second option exceeds what it's required to do under the policy terms.

I note that Acasta made Mr S a cash offer of £167 as an alternative to a replacement television. That's a reasonable amount taking into account the market value of the replacement television it offered Mr S with him paying no contribution.

Acasta says the televisions Mr S asked it to provide as a replacement are significant upgrades to his television, and I haven't seen any evidence to the contrary. So I think Acasta reasonably told Mr S that he would need to make a higher contribution cost if he wanted one of those televisions.

The policy has a maximum claims limit per claim of £1,000 but that doesn't mean Acasta has to provide Mr S with a television now worth £1,000 with no contribution from him. It also doesn't mean Acasta has to provide Mr S with a cash settlement of £1,000. That amount is the maximum Acasta could go up to if Mr S' television was of a specification that would cost £1,000 or more on the current market, which it doesn't.

Acasta correctly and reasonably told Mr S that the stand he requested isn't covered in the terms and conditions of the policy as it is an accessory.

Acasta has offered what it needs to offer Mr S under the policy terms. I also need to decide what's a fair and reasonable outcome in all the circumstances. The policy term for the type of replacement offered under this policy is standard in this type of policy so I think Acasta has acted fairly to Mr S.

Overall I'm satisfied that Acasta has made a fair and reasonable offer to settle Mr S' claim.

My final decision

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 25 August 2025.

Nicola Sisk
Ombudsman