

The complaint

Mr S is unhappy that Fortegra Europe Insurance Company Ltd (“Fortegra”) wouldn’t reassess his furniture replacement claim based on a sale price.

Mr S claimed under a home warranty, underwritten by Fortegra, for his dining furniture.

What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

Mr S’s dining table and two chairs were damaged by a paint spill. He claimed under the protection warranty and Fortegra accepted the claim. Mr S’s options were to select a replacement from the same store up to the value of £953.59, or to accept a cash settlement of £476.80 to live with the table and chairs in their damaged state. Both options were limited to the amount specified by Fortegra in line with the policy, and the reselection option included a 50% contribution towards the undamaged matching items.

Mr S chose the reselection option, and his furniture choice cost more than Fortegra offered. Therefore, in line with the options available to him under the policy, Mr S paid the difference of over £800 towards the new dining table and chairs.

A couple of weeks later, Mr S saw that the price of the dining furniture had reduced in a sale, and he would’ve achieved a further work-related discount. He asked Fortegra to refund to him the equivalent amount of the price savings. Fortegra said that the furniture had been ordered, and it wouldn’t offer any refund. Mr S complained.

Fortegra issued a final response to Mr S’s complaint on 20 November 2024. It said the price was fixed when the order was placed, and it wouldn’t be fair to all other customers if it refunded a price difference to Mr S which other customers would not have been able to benefit from. Fortegra also pointed out that prices fluctuate and, once an order has been placed, it’s costly and unreasonable to expect it to monitor those prices. Fortegra didn’t uphold Mr S’s complaint.

Mr S was unhappy with the response, and he didn’t think Fortegra had actually placed the order before he asked it to consider the price reduction. He brought his complaint to us.

Our investigator didn’t think Fortegra had done anything wrong. After seeking confirmation of when Fortegra placed the furniture order, he was persuaded that Fortegra had settled the claim in line with the policy. Our investigator didn’t uphold the complaint.

Mr S didn’t agree. He said he’d paid for the furniture when he accepted the reselection offer, but he didn’t think Fortegra had ordered the furniture until weeks later because of staff absence. Mr S said Fortegra didn’t pay for the furniture until January 2025 so, in his view, it hadn’t been ordered and could’ve been cancelled. He thought Fortegra was benefiting from his payment. Mr S also said that he was still within the 14 days cooling off period when he asked for the new sale price to be considered.

The complaint was passed to me to decide.

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've decided not to uphold Mr S's complaint for broadly the same reasons as our investigator.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. And the relevant rules and industry guidelines say a business should provide support and help with understanding, and enable customers to pursue their financial objectives. My role, here, is to look at how Fortegra handled Mr S's claim, and to decide whether it treated him fairly and reasonably in the circumstances, and in line with the rules and the terms of the policy.

The policy sets out the detail of the contract between Mr S and Fortegra so, to begin with, I've looked at what was covered. The policy terms and conditions focus on Fortegra's limit of liability, which sets out the maximum it will pay in the event of a claim. It doesn't address what might happen in the event of a price reduction. However, I note that in the options letter, dated 25 October 2024, the conditions of reselection state:

b) Reselection cannot include managers [sic] special or end of line items

Based on this, I'm persuaded that the policy didn't provide for price reductions as a matter of course.

I've thought about the comments Mr S has made in respect of the order status and when he asked for the discount to be considered. Mr S made his selection on 1 November and Fortegra provided evidence to show that the order was placed on the same day. This includes a letter to Mr S confirming the order had been placed. The notes show that Mr S contacted Fortegra on 19 November to say that he'd seen the same furniture discounted in a sale three days earlier. This tells me that Mr S hadn't been aware of the price reduction until more than 14 days after the order was placed. So, if there had been a cooling off period, it had passed in any event.

I understand why Mr S might be frustrated that he'd paid for the furniture in November, but Fortegra didn't pass on that payment until January. However, I can see from the evidence that Fortegra had chased up a delivery date with the supplier, and it paid when the supplier requested payment. I can't say that there's any indication that Fortegra was purposely holding on to Mr S's money for any financial gain.

Overall, I haven't seen anything in the evidence to persuade me that Fortegra did anything wrong. Fortegra processed the order on the day Mr S made his selection and it passed on his payment when the furniture was available for delivery. The terms of the policy don't say that Fortegra will constantly monitor sale prices or offer any refunds should the price drop from that at the time of order. Therefore, based on the evidence, I'm satisfied that Fortegra handled the claim in line with the policy, and fairly and reasonably in the circumstances. There's nothing here for Fortegra to put right.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr S's complaint.

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

Debra Vaughan
Ombudsman