

The complaint

Mrs R complains Astrenska Insurance Limited (Astrenska) unfairly cancelled her contents insurance policy. She also complains about the way it handled her claim and the settlement it has offered.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. At the end of September 2024 water entered Mrs R's property following a storm. She attempted to submit a claim to Astrenska under her contents insurance policy but was told her policy had been cancelled due to non-payment of her premium. Mrs R was unhappy with this and so raised a complaint.

In the meantime, Astrenska agreed to reinstate Mrs R's policy if she paid the premium for the missed payment periods. This was agreed and Mrs R's policy was reinstated. She subsequently submitted a claim for her contents which she said had been damaged.

In November 2024 Mrs R raised a complaint about the way her claim had been handled. At the end of November 2024 Astrenska offered Mrs R a settlement of around £1,600, minus her policy excess. On 27 November 2024 Astrenska issued Mrs R with a final response to her complaint about her policy cancellation. It apologised for confusion caused by the wording of the payment failure email and confirmed Mrs R's policy had been reinstated. Mrs R referred her complaint to this Service.

After Mrs R referred her complaint to this Service, Astrenska offered Mrs R another settlement for her claim. It said the previous settlement included items which weren't covered by the policy and so it would now be offering a settlement of around £800 minus Mrs R's policy excess. Mrs R raised a complaint about the settlement she had been offered and the way her claim had been handled.

Astrenska agreed for this Service to consider Mrs R's complaints about the cancellation of her policy, the way her claim had been handled, and the settlement it had offered. It said it acknowledged it incorrectly offered Mrs R a higher settlement in the first instance and had delayed providing her with the final settlement. It offered a total of £300 compensation for the distress and inconvenience caused. Our investigator looked into things. She said she thought:

- Astrenska had cancelled Mrs R's policy in error but this had now been rectified.
- Astrenska had communicated appropriately with Mrs R during her claim.
- The settlement Astrenska had offered was reasonable in the circumstances.
- It wasn't necessary for Astrenska to offer Mrs R alternative accommodation.
- The compensation Astrenska had now agreed to pay was reasonable for its errors.

She later issued a further view. She said she thought Astrenska took longer than it should have done to reinstate Mrs R's policy and so it should pay a further £100 compensation bringing the total compensation due to £400.

Astrenska accepted our investigator's view but Mrs R disagreed with it. She said she didn't agree with the settlement Astrenska had offered for her contents.

I issued a provisional decision about this complaint and I said:

'I want to acknowledge I've summarised Mrs R's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mrs R and Astrenska I've read and considered everything that's been provided. I've addressed the key points separately.'

Cancellation of Mrs R's policy

The terms of Mrs R's policy explain before cancelling a policy, it will give 14 days' notice in writing. Astrenska have acknowledged it failed to do so on this occasion and so prematurely cancelled Mrs R's policy. It has reinstated Mrs R's policy which I think is reasonable in the circumstances. However I think the cancellation of Mrs R's policy has caused her distress and inconvenience. It would have been distressing for Mrs R to learn her policy had been cancelled whilst she was looking to submit a claim, and it caused a delay in her claim being considered. Therefore, I've taken this into consideration when deciding reasonable compensation.

Settlement of Mrs R's claim

The relevant rules and industry guidance explain Astrenska should handle claims fairly, and shouldn't unreasonably reject a claim. Mrs R has said there are items Astrenska haven't included in the settlement she has been offered and so I've focussed on these items as part of this decision.

Carpet and underlay

Astrenska have said it isn't able to cover the carpet and underlay under this policy unless it has a copy of the tenancy agreement to show these are Mrs R's responsibility. The terms of Mrs R's policy explain it doesn't provide cover for the landlord's premises, furniture, furnishings or interior decorations which the tenancy agreement doesn't expressly certify Mrs R is responsible for. Mrs R has been unable to provide a tenancy agreement, and so I don't think she has shown the carpet or underlay forms part of her contents, or that she is responsible for it. Therefore, I think it was reasonable for Astrenska not to include this as part of the claim settlement.

Mattress and bed frame

Astrenska have said Mrs R's bedframe and mattress costs more than £500 and so under the terms of the policy, it was necessary for Mrs R to add this to her inventory for it to be covered. I can see this is stated in Mrs R's policy, and it hasn't been added to her inventory. Given the evidence Mrs R provided to Astrenska showed the replacement items were over £500, I think it was reasonable it didn't include this within the settlement due to Mrs R.

However, Mrs R has said she purchased her mattress and bed frame separately and

each item was priced less than £500. She has now provided this Service with a proof of purchase for each item which show each was less than £500.

Astrenska have shown a replacement mattress can be purchased for £175 from the retailer Mrs R purchased hers from, and so it has agreed to pay a further settlement of £175. It has said if Mrs R can provide it with evidence of the retailer she purchased her bed frame from then it can pay a further settlement for the bed frame. I think this is reasonable in the circumstances.

Electronic items

Mrs R has claimed for a number of electronic items including games consoles, headphones and a camera. Astrenska has said it hasn't received a proof of ownership for one of these consoles, but also that Mrs R hasn't been able to show they are damaged. In relation to the TV Mrs R has claimed for, it has said the proof of purchase Mrs R provided has a different serial number to the TV she has claimed for.

Mrs R has said due to the delay dealing with her claim, including cancelling her policy, all of the items she was claiming for began to go mouldy and so she had no choice but to throw these items away.

Based on the evidence provided, I'm not persuaded Mrs R has been able to demonstrate the electronic items she has claimed for have been damaged due to the storm. She has provided photographs of these items, but these don't show the items having suffered damage. And, now the items have been thrown away, it isn't possible for these items to now be tested.

I've taken into consideration what Mrs R has said about having to throw the items away. However, even with the initial delay in Mrs R's claim being logged, I'm not persuaded it was necessary for Mrs R to throw these items away before Astrenska were able to review whether they were damaged. Whilst I can understand why it may have been necessary to dispose of larger items, or soft furnishings, these electronic items were small, and unlikely to pose any health risk to Mrs R. As Mrs R hasn't demonstrated these items were damaged, I think it's reasonable Astrenska hasn't included them in the claim settlement.

Wardrobe

Astrenska has said it received a photograph of the wardrobe but this didn't show any damage. I asked Mrs R whether she could provide photographs of the damaged wardrobe but she has said she no longer has the items or photographs of the damage as Astrenska said it had enough evidence already.

Based on the photograph of the front of the wardrobe, I can't see evidence of any damage to this item. I can see a photograph which could potentially be the side of the wardrobe, but it isn't entirely clear. In any event, I'm not persuaded this shows evidence of damage caused by the incident Mrs R is claiming for. Therefore, I don't think it's unreasonable for Astrenska not to include this in the claim settlement.

Claim handling

Astrenska have acknowledged it hasn't handled Mrs R's claim as it should have done. It has agreed to pay a total of £400 compensation for the distress and inconvenience caused to Mrs R. So, I've considered whether this is reasonable to acknowledge the impact to Mrs R.

As mentioned, I think Mrs R has experienced some distress due to Astrenska unreasonably cancelling her policy. I also think Mrs R has been caused distress due to Astrenska telling her she was going to receive a larger settlement than it ultimately ended up offering her. And the delays in offering the settlement has caused her further unnecessary distress and inconvenience.

Mrs R has said she was unhappy she wasn't offered alternative accommodation. She said she was living on a temporary bed in another part of her property. The terms of Mrs R's policy explain alternative accommodation will be provided if Mrs R's home cannot be lived in. Based on the circumstances Mrs R has described and the evidence provided, it appears the damage to her home was isolated to one room, and so I'm not persuaded she was unable to live in her home as a result of the damage. And so, whilst I naturally empathise with the inconvenience Mrs R experienced due to being unable to sleep in her own room, this wasn't due to an error by Astrenska.

Overall, I think £400 compensation is reasonable to acknowledge the impact Astrenska's errors have had on Mrs R. I think compensation of this amount is reasonable when a business's errors have caused considerable distress which lasts for some weeks, which I think is the case here.'

Astrenska didn't respond to my provisional decision. Mrs R said she asked whether the electrical items needed to be tested and she was told they didn't. She also had it confirmed on the telephone they had been accepted, and only then were they thrown away. She said she wasn't told items over £500 wouldn't be covered unless on her inventory. She also provided a proof of payment for her bedframe, screenshots of emails with Astrenska and a video of a TV she said was water damaged.

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 reached the same outcome to the one I reached previously for much the same reasons as set out before.

Mrs R has said she wasn't told items over £500 wouldn't be covered unless recorded on her inventory and has provided an email exchange she had with Astrenska on 10 October 2024. However, this email exchange was after the event which Ms S was claiming for, and so even if she had been told to add items to her inventory at this stage, it wouldn't have meant they were covered. I'm satisfied Astrenska acted fairly when it declined to cover any items over £500 which hadn't been recorded on her inventory.

Mrs R has said she had the electrical items in her possession until December 2024 and so there was plenty of opportunity for them to be tested. She also said she asked Astrenska if it needed the items and it said it didn't.

The email exchanges Mrs R has provided to support this don't make any reference to testing of the electrical items, nor suggest Mrs R can now dispose of these items. I've not seen evidence Mrs R asked for the electrical items to be tested, nor made Astrenska aware she still owned these items. Mrs R sent an email to Astrenska on 19 October 2024 providing a list of damaged items which included some of the electrical items she was claiming for. In this email she said given the delay she had no option but to dispose of the damaged items. So, I can understand why Astrenska believed these items Mrs R was claiming for had been thrown away and weren't available to be tested. Taking this into consideration, along with the

fact I've not seen persuasive evidence these electrical items were damaged in the storm, I don't think it's unreasonable Astrenska didn't include them in the settlement due to Mrs R.

Mrs R has provided a video of her TV which she says shows evidence of water damage. I've reviewed this video and I'm not persuaded it shows evidence of damage. Therefore, I don't require Astrenska to include this in its settlement to Mrs R.

My final decision

For the reasons I've outlined above, I uphold Mrs R's complaint about Astrenska Insurance Limited. I require it to:

- Pay Mrs R an additional settlement of £175 toward her mattress
- On receipt of evidence of where Mrs R purchased her original bedframe from, pay an additional settlement for the replacement cost of her bedframe.
- Pay Mrs R a total of £400 compensation if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 22 August 2025.

Andrew Clarke
Ombudsman