

The complaint

Mr and Mrs K complain about how Astrenska Insurance Limited (T/A Collinson Insurance) handled and settled a claim they made under their appliance warranty insurance when their oven broke. They also say they were misled about the terms and conditions of their policy.

What happened

Mr and Mrs K held an appliance warranty insurance policy, which is underwritten by Astrenska. They took out their warranty policy with Astrenska in November 2016. And in July 2024, Mr and Mrs K telephoned Astrenska to ask it to amend their insurance policy by adding an additional appliance namely their oven.

Astrenska states that Mr and Mrs K were informed of the key features and benefits of their amended policy over the telephone when asking about the inclusion of their oven. And, after amending their appliance warranty to include their oven, Astrenska said Mr and Mrs K were emailed a copy of their new policy documents. Mr and Mrs K dispute receiving this documentation. They state that if policy documentation had been received, they'd have cancelled the policy as it wasn't suitable to their requirements.

On 11 November 2024, Mr and Mrs K reported an intermittent fault with their oven to Astrenska. They said the oven had stopped heating and turned off when the door was opened. They asked Astrenska to repair their oven under their appliance warranty insurance.

On 12 November 2024, Astrenska informed Mr and Mrs K that it was unable to appoint an engineer to inspect their oven due to unavailability within their locality. It therefore decided to offer to cash settle their claim. The following day, Mr and Mrs K contacted Astrenska to discuss their claim. During this call it was agreed that Astrenska would explore the option of outsourcing in attempting to locate an engineer to repair the oven.

On 18 November 2024, Astrenska informed Mr and Mrs K that efforts to locate an outsourced engineer had been unsuccessful. And, because it was unable to appoint an engineer to inspect and repair Mr and Mrs K's oven, Astrenska declared it beyond economic repair (BER). It offered to cash settle their claim in the sum of £107, which it said took into account an annual 20% depreciation in the value of the oven. But Mr and Mrs K rejected Astrenska's offer.

Mr and Mrs K instructed an engineer, which I'll refer to here as "N", to attend their home on 19 November 2024 and assess their oven. N informed them that their oven was repairable. N ordered replacement parts and charged Mr and Mrs K £335.78 for the cost of the parts and £108 in call out fees.

Mr and Mrs K complained about how Astrenska had dealt with their claim. They said it should have repaired their oven and had misled them about the terms and conditions of their policy as it hadn't provided them with any policy documentation after they amended their policy to include the oven.

Astrenska investigated Mr and Mrs K's concerns and issued its final response to their

complaint on 5 December 2024. It didn't uphold their complaint and explained that Mr and Mrs K had taken out policies with it continuously since 2016. It stated it had provided them with policy documentation on nine occasions since that time. It also stated that the policy terms explained how a claim would be settled in the event that an appliance couldn't be repaired. It didn't think it had misled Mr and Mrs K about the policy and thought the offer it had made to settle their claim was fair and in line with the policy conditions.

Being dissatisfied with Astrenska's response to their complaint, Mr and Mrs K referred it to our service. Our investigator looked into what had happened and recommended upholding this complaint as they weren't persuaded Astrenska's offer to settle Mr and Mrs K's claim was fair and reasonable. Because the appliance had been repairable, our investigator recommended that Astrenska resolve this complaint by reimbursing Mr and Mrs K the cost they incurred in repairing their oven. And they thought it should pay £100 in compensation to acknowledge the trouble and upset Mr and Mrs K had experienced.

Mr and Mrs K agreed with our investigator's view of this complaint. But Astrenska didn't and requested an ombudsman's review. I've therefore been asked to decide the fairest way of resolving this complaint.

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.

I'm sorry to hear about the difficulties Mr and Mrs K experienced here. I know they feel very strongly about this matter and I appreciate the reasons they brought their complaint to our service. However, while I sympathise with Mr and Mrs K, the issue that I must determine is whether Astrenska made a mistake, or treated them unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

Where there's a dispute, as there is here, I must reach a determination based on the available evidence as to what I think is most likely to have happened. To assist in that task, I've read and considered all the information provided by Mr and Mrs K and Astrenska.

Within this final decision I'll concentrate my findings on what I think is relevant to decide the complaint, which is reflective of our approach in assessing complaints. This means that I may not comment on every written representation made by Mr and Mrs K and Astrenska, which is because I don't think I need to comment on it to reach what I think is the right outcome.

I'll start by addressing Mr and Mrs K's concerns that Astrenska misled them about the terms of their policy.

I understand that this issue is based on Mr and Mrs K's assertion that they didn't receive any policy documentation after amending their existing policy to include cover for their oven. And it appears Mr and Mrs K only mentioned having not received policy documentation to Astrenska after notifying it of their oven claim. By this time, their amended policy had been in place for around four months. There's no evidence that Mr and Mrs K contacted Astrenska to chase the provision of policy documentation, which I'd have expected them to do.

Astrenska has provided evidence to our service which satisfies me that it emailed the policy documentation to Mr and Mrs K after their policy was amended to include their oven. It used the email address it used in communicating with Mr and Mrs K previously, which is the same email address our service has used to contact Mr and Mrs K about their complaint. This all satisfies me that policy documentation was appropriately emailed to Mr and Mrs K.

I'm not disputing Mr and Mrs K's contention that they didn't see the policy documentation Astrenska sent them. This could be because Astrenska's email may have gone into their junk mail folder, which is usually a folder that's automatically emptied periodically. But, as I'm satisfied Astrenska emailed Mr and Mrs K their policy documentation, I can't hold it responsible if the email was automatically deleted from a junk mail folder or otherwise lost.

Even if Mr and Mrs K hadn't seen the policy documentation Astrenska emailed to them, it's not in dispute that they've continuously held policies with it since 2016. I'm persuaded from the available evidence that Astrenska emailed policy documentation to them each year. Astrenska has also presented evidence to our service that since 2016, Mr and Mrs K have made three claims under their policy, which includes the claim for their oven. This satisfies me that it would be reasonable to expect them to be aware of their policy terms.

In the overall circumstances of this complaint, I'm satisfied Mr and Mrs K were provided with the terms and conditions relating to their amended policy. Astrenska therefore shared appropriate information about how a claim would be settled with Mr and Mrs K. It follows that there's no evidence to support their contention that they were misled over the policy terms. So, I'm not upholding this part of their complaint.

I'll turn now to the second part of Mr and Mrs K's complaint, which relates to Astrenska's failure to instruct an engineer to inspect their oven and repair it.

The terms and conditions of Mr and Mrs K's policy with Astrenska outline in clear and unambiguous language that if a claim is made, and the issue can't be resolved via the claim helpline, it "*may send an engineer to repair*" the appliance. The use of the term "*may*" is significant here; sending an engineer isn't mandated within the policy terms.

I'm aware that Mr and Mrs K believe that Astrenska's efforts to locate an engineer was suboptimal. But this appears to be largely based on their ability to instruct N to inspect and repair their oven. I'm conscious they'd have potentially had access to a larger pool of available contractors whilst Astrenka would only have been able to appoint a suitable engineer within its preferred network of contractors. I'm satisfied it looked outside that pool when trying to outsource the choice of engineer. But it was still unable to locate a suitable engineer that was able to assess and repair the oven.

Mr and Mrs K told our service Astrenska ought to have checked engineer availability prior to them incepting their policy. But I'm not persuaded that would have been helpful here. I say this because engineer availability can fluctuate throughout the year due to various factors, which include holidays, sickness, changes in contractor relationships or the onboarding of engineers. So, even if there'd been engineers available when the policy was incepted, this may have changed during the policy period due to the factors identified.

I also bear in mind that Astrenska wouldn't have known whether Mr and Mrs K were intending, or likely, to make a claim when they took out their policy. So, it couldn't have anticipated whether engineers would be available in the event that they came to claim for their oven much later.

I've seen evidence that persuades me that when Mr and Mrs K contacted Astrenska to

report a claim it made reasonable efforts to try and locate an engineer. It tried over a 6 day period to find a suitably qualified engineer and even looked to outsource one. But this wasn't possible. I'm satisfied this was beyond Astrenska's control.

In the overall circumstances of this complaint, I'm persuaded Astrenska took the action that was possible to locate an engineer. And when it wasn't able to instruct a suitable engineer to assess and repair the oven it declared Mr and Mrs K's over to be BER and offered to cash settle their claim.

I'll deal next with whether Astrenska's decision to declare Mr and Mrs K's oven as BER was fair and reasonable.

Astrenska accepts it referred to Mr and Mrs K's oven as being BER incorrectly because, at that time, it had been unable to instruct an engineer to attend their home and assess their oven. The available evidence demonstrates that Astrenska's decision to declare the oven BER was based on the lack of engineer availability within Mr and Mrs K's locality. It was nothing to do with the cost of parts or labour because, at that time, the cost of N's repair wasn't known to Mr and Mrs K.

I'm satisfied that, when Mr and Mrs K reported their claim to Astrenska, it was unaware how much it would cost to repair the oven. There'd been no inspection of the oven. Like our investigator I'm persuaded it was unfair for Astrenska to declare the oven as BER without any indication of whether it could be repaired or the likely cost of repair.

Mr and Mrs K's policy with Astrenska covers the cost of repair or replacement of the insured appliance if it develops a fault. The policy terms outline in clear, intelligible language:

"you are covered under this policy for the cost of repair or a replacement of your appliance following breakdown or accidental damage of your appliance which occurs during the period of cover at your address."

The policy goes on to explain that:

"This is not a replacement as new policy. If your appliance cannot be repaired, we will replace it with a new or reconditioned appliance of the same age and condition or replace it with one of comparable specifications based on its current market value. This will be calculated from the initial purchase price or the £500 limit. If the purchase price exceeds £500, it will be capped at £500 for depreciation calculations. The maximum you can claim is £500 which would include any repair costs and any agreed replacement contributions.

If the cost of a replacement appliance exceeds the current market value of your appliance, the difference will need to be paid by you. Any such replacement appliance may not be compatible with any specialist equipment you may have. Alternatively, we may offer you a settlement in the form of vouchers or cash in line with the current market value of your appliance based on its age and condition.

If we are unable to find a replacement based on market value, similar make or specification, you will be advised of options available, which may require a contribution from you".

I've mentioned that the policy defines BER. The policy also explains how the market value of an appliance is determined. Specifically, the policy terms explain that the market value of an appliance will take into consideration its age and depreciation in value. And Astrenska sets out that it calculates depreciation using either the purchase price of the appliance or the stated policy limit of £500 per claim, whichever is the lower figure. It states *"we will reduce the value of your appliance by 20% for each year of the age of the appliance. We will limit*

the depreciation we apply so you will never get less back than 80% of what you currently pay each year for your appliance insurance."

However, the clause regarding depreciation appears to refer only to how a replacement appliance might be provided or a cash settlement might be calculated. The policy doesn't specify any limitations on how a claim for repair will be dealt with where the appliance is repairable but an engineer can't be located. It doesn't say Astrenska will declare an appliance BER in such circumstances. The policy simply talks about how a claim might be settled if an appliance can't be repaired. Here the oven was repairable and I'm not persuaded that where the cost of repair exceeds the market value of the appliance, the policy rules out a repair.

Mr and Mrs K's policy explains they may claim £500 per claim unless a lower limit is specified for any appliance in the certificate of insurance. Here, their certificate of insurance sets out in clear language that they are covered for £500 for their oven. There's no reference to depreciation or current market value within the certificate. So, I'm satisfied that Mr and Mrs K had the benefit of cover up to that amount in relation to the cost of repairs when their oven broke.

Mr and Mrs K have provided evidence confirming the cost of repairs to their oven. The invoices they've provided confirms N ordered replacement parts, which incurred a cost £335.78 plus £108 in labour. The total cost involved in the oven repair was £443.78, which is within the claim limit specified in Mr and Mrs K's policy.

I acknowledge Astrenska's argument that the cost of repair seems significant. It's provided evidence that it would have likely incurred a cost of repair of approximately £240 had it been able to instruct an engineer to undertake the repair via its preferred network of contractors. But as I've already explained, utilising its preferred source of engineers wasn't possible here. So, the argument that the cost should be limited to what Astrenska might have paid had it instructed its own engineer is unfair.

Astrenska asserts that the cost of the repair undertaken by N exceeds the market value of the oven. But I've already mentioned that the policy doesn't refer to market value of an appliance when referring to a repair. In any event, the cash settlement offer made to Mr and Mrs K of £107.40 wasn't sufficient to enable them to replace their oven. So, they had little option but to source a local contractor to assess and repair their oven.

Here Mr and Mrs K instructed N to assess and repair their oven. N was suitably qualified to repair the oven and I understand Mr and Mrs K haven't reported any further faults with their oven since the repair was undertaken. I'm not persuaded it would be fair for Astrenska to argue that N's invoices were excessive given the difficulties it encountered in attempting to locate a suitably qualified engineer here.

I'm satisfied that when Mr and Mrs K provided N's invoice to Astrenska to evidence the cost they incurred in repairing their oven it should have withdrawn its cash settlement offer and paid N's invoice. Like our investigator, I'm persuaded it would be fair for Astrenska to resolve this complaint by reimbursing Mr and Mrs K the costs they paid N to repair their oven and the call out fee this incurred. They were entitled to a repair under their policy and their oven was ultimately repairable within the policy limit. Astrenska should therefore make payment of £443.78 to Mr and Mrs K.

Our investigator also recommended that Astrenska pay Mr and Mrs K £100 in compensation to reflect the trouble and upset they'd have been caused as a result of what happened. I agree with our investigator that this is a fair amount.

We don't punish businesses by awarding damages or compensation as this isn't our role. When deciding what potential compensation to award our service must take two things into account: financial loss as a result of any business error and non-financial loss, including inconvenience and upset.

Here Mr and Mrs K suffered financial loss because of what happened. I say this because they paid £443.78 to repair their oven, which I'm directing Astrenska to pay them in resolution of their complaint for the reasons already outlined. Mr and Mrs K haven't evidenced any other financial loss.

Turning now to awards for non-financial loss there isn't a set formula that we use to calculate awards for errors. It's my role to consider what impact Astrenska's actions had on Mr and Mrs K and to decide, within guidelines set by our service, what an appropriate amount of compensation might be.

In thinking about the appropriate level of compensation here I've taken Astrenska's shortcomings into account in how it dealt with this claim. And I've thought about the impact that would have had on Mr and Mrs K. They experienced complications in bringing their claim, they had to locate an engineer themselves and fund the cost of repair. They're bound to have experienced frustration, distress and inconvenience by that.

Having thought about all of that, I'm satisfied £100 is a reasonable amount that fairly recognises the impact this all had on Mr and Mrs K. It's consistent with our approach in similar scenarios and it's what I'd have directed Astrenska pay if no recommendation had been made.

I can appreciate that Mr and Mrs K will have spent time in raising their complaint with Astrenska and in bringing their complaint to our service. But I'm satisfied that £100 in compensation fairly recognises that too. Astrenska should therefore pay Mr and Mrs K £100 to resolve their complaint.

Finally, I understand that Mr and Mrs K would like Astrenska to reimburse them the cost they paid for their annual policy. But I'm not persuaded that this would result in a fair outcome to this complaint. I say this because the premium they paid provides cover for several appliances. They made a claim under their policy, which Astrenska offered to settle and my financial decision directs Astrenska to settle their claim in a more favourable way to them.

Mr and Mrs K's policy stipulates that where a claim has been made no refund of policy premiums will be due. While I appreciate there were difficulties in bringing a claim, I'm satisfied Mr and Mrs K had the benefit of the policy they purchased. This means I won't be directing Astrenska to refund the premiums paid by Mr and Mrs K.

Putting things right

To resolve this complaint, Astrenska should reimburse Mr and Mrs K the costs they incurred in having their oven repaired by N. It should therefore make payment to them in the sum of £443.78. For the reasons outlined it should also pay them £100 in compensation for the distress and inconvenience they were caused.

My final decision

My final decision is that I uphold this complaint and direct Astrenska Insurance Limited (T/A Collinson Insurance) to take the following action to resolve matters:

- Pay Mr and Mrs K £443.78, which covers the costs they incurred in having their oven repaired by N.

- Pay Mr and Mrs K £100 in compensation for the distress and inconvenience they were caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 4 November 2025.

Julie Mitchell
Ombudsman