

The complaint

Mrs J has complained about how Fortegra Europe Insurance Company Ltd (Fortegra) dealt with a claim under her furniture warranty policy.

References to Fortegra include companies acting on its behalf.

What happened

Mrs J made a claim for damage to a dining table. A technician assessed the table and decided it couldn't be repaired. So, Fortegra said Mrs J could either select a new table costing up to £569 or, if Mrs J wanted to keep the table, it would pay a cash settlement of £284.50. Mrs J accepted the cash settlement.

Mrs J later complained to Fortegra. She said she had concerns about the settlement she had accepted. It wasn't possible to select a new table at the retailer because there were no tables offered for the amount she had previously paid. She wanted to know why the cash settlement was for half that amount. She also said she hadn't realised that the whole policy would be cancelled, which also covered her dining chairs. She wanted the settlement to be changed to the full value of the table. When Fortegra replied, it didn't uphold the complaint. It said it had acted in line with the policy terms and conditions. It said it wasn't possible to repair the table. It had offered a cash settlement, which was the equivalent to the cost of replacement and couldn't be increased.

When Mrs J complained to this Service, our Investigator didn't uphold it. He said Fortegra had acted in line with the policy terms and conditions. Fortegra had shown that the cash settlement was in line with what it would have cost it to replace the table. Mrs J had also agreed to the policy being cancelled when she accepted the cash settlement.

As Mrs J didn't agree, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

Mrs J doesn't think the cash settlement she accepted was fair. She has said it wasn't possible to find a suitable replacement table for that amount. She also thought the cash settlement should have been for £569. So, I've thought about this.

The policy said:

"If a repair cannot be achieved, we may choose to replace the damaged part. If this is not possible, [Fortegra] may provide a replacement product(s), or settle the claim by a cash payment at Guardsman and your Insurer's discretion instead of a repair or replacement (up

to the limit of cover). Any cash settlement will be limited to the equivalent cost of repair or replacement by [Fortegra].”

So, this meant that where Fortegra couldn't carry out a repair that it, rather than the policyholder, would choose how to settle a claim. This included by replacing a damaged part, by providing a replacement item or by offering a cash settlement. Where a cash settlement was offered, Fortegra said it wouldn't pay more than it would have cost it to repair or replace the item.

When Fortegra assessed the table, it found it couldn't be repaired and the damaged part couldn't be replaced. So, it offered Mrs J the choice of reselecting a table or a cash settlement. So, I've looked at this in more detail. For the selection it said:

“Your insurance policy covers you for the repair or replacement of the damaged item only.

This option allows you to choose a new item (which must be from the retailer that sold you this insurance policy) up to the value of your remaining policy limit. Your remaining policy limit is the price you originally paid for your furniture including 50% of the matching items £569.00 minus the value of any repair costs incurred on this or any previous claims £0.00. Therefore, the value of the replacement item you choose can be no more than £569.00.

...

If the value of your order exceeds the reselection amount stated in this letter, you will need to pay the difference.”

The policy also said:

“The most we will pay under this Protection Plan is the original price you paid for the insured item(s), after any discounts you were given at the time you bought it, or £15,000/£25,000 (for beds), whichever is the lowest. If an item is replaced under the terms of this Plan, no further cover will be available for this item...”

When Fortegra calculated the value of the table, it did this by taking the purchase price of the table, which was £599, and reducing this by £30 to £569. This was because Mrs J bought four chairs at the same time. The retailer had given Mrs J a £150 discount to the total purchase because she had bought multiple items. So, as five items had been purchased, one-fifth of this was £30. I've also looked at the chairs and, although they were bought at the same time as the table, I'm satisfied the chairs weren't a matching item to the table. They were separate items and of a different style and design. So, Fortegra didn't need to provide a contribution towards these.

Mrs J has said she accepted the cash settlement because it wasn't possible to purchase a table from the retailer for the amount she was offered. I note that in its reselection option, Fortegra had said Mrs J could buy a table for a higher amount and pay the difference. So, Fortegra had provided a way to select a more expensive table and still use its reselection option.

I've also looked at the cash settlement offered. Fortegra had told Mrs J:

“Some people are happy to keep their furniture and we can offer you a cash settlement to live with the furniture in its current condition.

This settlement is based on anticipated costs incurred to us the insurer and is not a negotiable figure. Therefore the total value of your cash settlement would be £284.50.

...

This cash offer is made in full and final settlement of the claim and on the understanding that that your protection plan ... will be terminated on all items.”

So, I note that the cash settlement was offered on the basis that Mrs J might want to keep the table. Fortegra explained how the cash settlement was calculated, which was its anticipated costs. I've checked how Fortegra calculated the cash settlement and I can see it calculated it on this basis. It also said that if the cash settlement was accepted, the whole policy, for all items, would be cancelled. Mrs J accepted the offer on those terms. I haven't seen anything that persuades me that Mrs J now changing her mind about accepting the offer means Fortegra should pay her a different cash settlement amount.

As a result, and although I'm aware this will be a disappointment to Mrs J, I don't uphold this complaint or require Fortegra to do anything else in relation it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 12 January 2026.

Louise O'Sullivan
Ombudsman