

The complaint

The estate of Mrs C complains that The Baxendale Company dac (Baxendale) haven't settled its claim under the storage insurance policy.

The estate is being represented with this complaint by Mr C (one of the late Mrs C's sons). I will refer to all actions and comments as those of Mr C.

What happened

The details of what happened are well known to both parties. I will summarise them here.

- The estate of Mrs C had items in storage, covered through a policy with Baxendale.
- The items were lost, and the estate of Mrs C made a claim in 2022 under the policy. It was agreed in October 2023, following involvement from this Service on a prior case, that Baxendale would consider the claim.
- The estate of Mrs C complains, that despite an original offer of approximately £41,000, Baxendale have only offered £20,000 to settle the claim (as well as interest of approximately £1,600).

The estate of Mrs C has brought their complaint to our Service for an independent review, complaining about the time taken and that the amount to settle the claim isn't enough. Our Investigator looked into it, and she agreed. She said Baxendale should honour their original estimate (approximately £41,000) and pay interest.

Baxendale didn't agree. However, they did subsequently increase their offer. Before making a final offer of £30,000, which the estate didn't accept. Ultimately an informal resolution couldn't be reached.

So, the case was passed to me to decide, and I issued my provisional findings on 15 December 2025. An extract from which, forms part of my decision below.

The late Mrs C's items are unusual, and many cannot be easily replaced, if at all. Baxendale should pay the estate the cost of replacing them as a cash settlement. Mr C has put a great deal of effort into quantifying the replacement cost of the items. Baxendale has already improved some of its offers considerably. I have reviewed Mr C's submissions and I'm inclined to require Baxendale to offer what he's asked for. I'll explain why.

Mr C has provided details of the items, considered their date of purchase/acquisition, the price originally paid for them, searches of the market, and in some cases enquiries with specialists. I'm also satisfied Mr C has shown care and attention to the figures he's asked for and has tried to apply reasoned valuations based on research and market intelligence. I have further seen no compelling evidence to suggest Mr C has acted in bad faith in what he'd presented.

I'm persuaded, on the evidence available to me, Mr C's figures are reasonable and justified. I'm also mindful the values of some items will always remain uncertain and could change each time a review is undertaken. And I'm mindful this claim is entering into its fourth year. Taking all of the above into account, I intend to require Baxendale to pay the estate the figure he's asked for, less 25% depreciation for the clothes and shoes (£42,374 less £668.75). With interest for the estate being deprived the loss of use of these funds. Of the thirteen categories listed, Baxendale have accepted the claim value Mr C put forward on six of them. They have grouped the categories in dispute into three different reasons for a reduced settlement figure. I will explain why I am not persuaded by what they have offered or their reasoning.

Depreciation for clothes and shoes

Mr C has reasonably attempted to value the clothes and I note in some cases, only calculated the wool value of handmade items. Baxendale have rightly pointed to the policy only providing indemnity cover for the clothes and shoes (not replace with new) and so I think it is fair they apply a depreciation. They have said they are applying 25% but their calculation deducts 75%. I think 25% is fair.

Online marketplace valuations for records and CDs

As both parties accept, the policy provides cover for 'replacement as new'. This is obviously difficult for items such as records and CDs that are no longer in production. Mr C has gone to great lengths to provide an estimate valuation for items as new, through market industry websites. Baxendale have instead calculated the value using online marketplaces. This of course is generally preowned items, and the value is only what the seller is seeking. I am more persuaded that Mr C's method of valuation is a fairer one.

Reduced offer on art, books, videos and furniture

For the items in these categories Baxendale have only offered 25% of what Mr C has valued them at. They have not provided any reasoning for this reduction. Despite the claim going on for several years and the policy providing cover as 'replacement as new'. I am more persuaded by the value Mr C has given and evidenced for these items. I think (especially considering the amount of time this has been going on for and that the value of these items might have grown) settlement now at Mr C's stated amount is the fairest resolution.

Mr C has obviously been through a difficult period, and he has put a great deal of time and effort into proving this claim, above what would ordinarily be required. I don't think Baxendale – as the professional party – has done enough here to keep things progressing or to quantify the loss and indemnify the estate, as the policy provides for. For a considerable amount of time (after the claim dispute was resolved) an offer of £20,000 was all that was made. This appeared an offer at mitigation and mediation, rather than doing what was required of them. However, whilst I would ordinarily award compensation in these circumstances, the distress and inconvenience has been experienced by Mr C and he is not the eligible complainant here. Therefore, compensation isn't possible or appropriate.

In summary, I think Baxendale should now settle the claim in line generally with how Mr C has valued it. I am more persuaded by the rationale and evidence he has provided and mindful of the time this claim has been going on for, I think this is the fairest resolution in the circumstances.

Mr C responded on behalf of the estate to accept the provisional findings. However, amongst his points in reply, he said:

- He accepted the value of a watch should be deducted as it wasn't covered under the terms of the policy. But had been included in the calculation previously set out.
- He also felt interest should be added from the date of the claim rather than the initial offer.

Baxendale didn't respond to the provisional decision by the deadline given with any further comments for consideration.

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.

As Baxendale haven't responded to my provisional decision, I haven't been provided with any reason to depart from the findings I set out.

I note Mr C's comments. I agree the claim for the watch should be discounted. I also maintain that the interest should be paid from the date of the original offer. Baxendale should have been afforded some time to consider what was a relatively complex claim. I think the fairest point to start awarding interest is from the date of the original offer.

Putting things right

I uphold this complaint and require The Baxendale Company dac to:

- Pay the estate of Mrs C £41,565.25 (the amount previously set out minus the watch value no longer being claimed for) to settle the claim, plus simple interest at 8% a year on this sum, from December 2023 (when Baxendale made their original offer) to the date of settlement.

*If Baxendale considers that it's required by HMRC to deduct income tax from that interest, it should tell the estate how much it's taken off. It should also give a tax deduction certificate if they ask for one, so they can reclaim the tax from HMRC if appropriate.

My final decision

I uphold this complaint and require The Baxendale Company dac to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 26 January 2026.

Yoni Smith
Ombudsman