

The complaint

Mr Q has complained about how Astrenska Insurance Limited (Astrenska) dealt with a claim under an appliance warranty.

What happened

Mr Q made a claim for his dishwasher. An engineer visited and repaired it. About two months later, Mr Q contacted Astrenska because the dishwasher needed a further repair. Following the visit, Astrenska told Mr Q that the dishwasher couldn't be repaired. It offered him £107 as a cash settlement.

Mr Q complained. He said he found Astrenska's cash settlement offer unacceptable given the market value of the dishwasher, which far exceeded the settlement offered. He had also told Astrenska he was considering leaving and had been told he wouldn't be refunded the remainder of the policy balance because he had made a claim.

When Astrenska replied to the complaint, it said that where a repair couldn't be completed, the policy said it would either replace the appliance on a like-for-like basis or issue a cash settlement in line with the market value of the appliance at the point of claim. It said that as it had been unable to source a like-for-like replacement it had offered a cash settlement. The cash settlement had been calculated using the current market value, as outlined in the policy. The dishwasher was eight years old, so its calculated market value was £0. However, it capped the total depreciation at 100% of the annual premium, which was significantly higher than the actual market value. It said the policy also explained that it wouldn't offer a refund if Mr Q cancelled the policy.

Mr Q complained to this Service. Our Investigator didn't uphold the complaint. She said Astrenska had acted in line with the policy terms and conditions when it calculated the cash settlement. So, she said what it offered Mr Q wasn't unfair. She also said the policy terms said that if a policyholder wanted to cancel the policy, no refund would be due where a claim had been made.

As Mr Q didn't agree, the complaint was referred to me.

I issued my provisional decision on 29 January 2026. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

Looking at the policy wording, this said:

"You can claim £500 per claim unless a lower limit is specified for any appliance item in your certificate of insurance."

I have read the certificate of insurance. This said the cover amount for the dishwasher was "up to £500". So, I'm satisfied there was a £500 limit for the claim.

The policy terms also said:

“...If it’s not possible to resolve the problems with your appliance over the telephone, we may send an engineer to repair your appliance.

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.

...

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.”

Astrenska sent an engineer to repair the dishwasher. It then told Mr Q the dishwasher couldn’t be repaired. This was why it said it was looking to settle the claim either by replacing the dishwasher or paying a cash settlement for it. However, based on what Astrenska told this Service, the dishwasher could be repaired. It said:

“Recall raised after Mr [Q] reported that the fault had reoccurred. Appointment booked for 10/10. The engineer provided a repair quote, and following assessment, the appliance was deemed beyond economic repair due to the high parts cost (£348+). The dishwasher was originally purchased for £200.”

Based on this, I think it’s fair for me to say that the dishwasher could be repaired. But, Astrenska seemed not to want to carry out the repair because it decided the dishwasher was beyond economic repair. Looking at the policy, the only reference I could find to the term “beyond economic repair” was in the definitions section. I couldn’t find it used elsewhere in the policy. The policy didn’t say that a repair wouldn’t be carried out where the appliance was assessed to be beyond economic repair. I also couldn’t find any reference in the policy to the original purchase price for the dishwasher, or its current market value, being a factor in deciding whether a repair would be carried out. Based on what I’ve currently seen, the £500 claim limit should have been used to determine whether the claim could be covered under the policy.

So, I asked Astrenska to confirm the cost of the claim. It said the two visits were considered as one claim because the second visit was a recall to deal with the same issue. This meant there was only one charge for an engineer’s visit, plus the £348.01 cost of the parts. Based on the information provided to me, the cost of the claim didn’t go over the £500 policy limit. The repair therefore could have been carried out under the policy. So, I don’t currently think it was fair that Astrenska told Mr Q the dishwasher couldn’t be repaired.

Mr Q has told this Service that he recently replaced the dishwasher at a cost of £294. Had this not been the case, I would have said Astrenska needed to carry out the repair. However, as this is now not possible, I currently intend to say that Astrenska needs to pay the cost of the new dishwasher. This should include the charges for disconnecting the damaged dishwasher and installing the new one. I haven’t seen the invoice for the new dishwasher. It’s my understanding that Astrenska has now paid Mr Q the £107 cash settlement it offered to settle the claim. So, it can deduct this from the amount it now pays.

For avoidance of doubt, I am aware the policy isn’t a ‘new for old’ policy. Mr Q wasn’t entitled to a new dishwasher as a replacement for his eight-year-old dishwasher. This isn’t the reason I intend to say Astrenska should cover this cost. I am also aware that the policy only covered the cost of removing the old appliance and installing the new one where the policyholder had opted for ‘total care’ under the policy. In deciding what I think Astrenska

should do to put things right, I have taken into account that it was possible to repair the dishwasher and the cost of that repair. The cost of the new dishwasher was less than the repair cost. Mr Q also had the cost of disposing of the old dishwasher and installing the new one because Astrenska didn't carry out the repair. So, I think paying the costs for the purchase and installation of the new dishwasher is a fair and reasonable way to put Mr Q, as close as possible, back to the position he would have been in had Astrenska done what it should have, which was to carry out the repair. Had it done this, Mr Q would have had a working dishwasher under the policy.

Mr Q was also concerned that when he asked Astrenska to cancel his policy and to refund the remainder of the premiums, he was told no refund was due because he had made a claim. Looking at the policy wording, the refund section said: "If you have made a claim no refund will be due". Mr Q had made a claim and I'm satisfied that Astrenska acted in line with the policy terms and conditions by telling him he wouldn't receive a refund.

I've also thought about compensation. I think Mr Q has been caused inconvenience by how Astrenska dealt with his claim, which left him without a working dishwasher. I therefore intend to say that Astrenska should pay Mr Q £100 compensation to reflect the impact on him.

I asked both parties to send me any more information or evidence they wanted me to look at by 12 February 2026. Astrenska didn't reply. Mr Q didn't agree with my decision. He said he didn't accept the outcome as the policy stated he was covered up to £500. He said the new dishwasher he purchased was valued at £245 excluding VAT.

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 uphold this complaint and for the reasons given in my provisional decision. As part of that, I've considered Mr Q's comments, but this doesn't persuade me that how I've said this complaint should be resolved is unreasonable.

When I made my decision, I was aware there was a £500 limit per claim. This didn't mean Astrenska had to pay the full £500 per claim. This was the maximum it would pay per claim, but a claim might well cost less than this to settle.

Mr Q previously told this Service the new dishwasher cost £294. He has now told this Service it cost £245 excluding VAT. When I add the VAT to £245 that is £294. In my provisional decision, I said Astrenska should pay Mr Q £294. I also said it should pay disposal and fitting costs, if these were paid as an additional cost.

I said Astrenska can deduct the £107 settlement it has already paid from the £294. This is because if Mr Q was paid £294 in addition to the £107, he would receive two settlements for the claim, which he isn't entitled to under the policy. This would put Mr Q in a better position than he was in prior to the incident that led to the claim. I also took into account that Mr Q was caused inconvenience by how the claim was handled, which was why I said Astrenska should also pay £100 compensation.

I remain of the view that how I said this complaint should be resolved is fair and reasonable.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Astrenska Insurance Limited to pay Mr Q:

- £294 as the cost of replacing the dishwasher, along with the installation costs if they are in addition to this amount, subject to him providing it with suitable evidence of this cost. It may deduct the amount it has already paid Mr Q to cash settle the claim.
- £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 13 March 2026.

Louise O'Sullivan
Ombudsman