

## **The complaint**

Mr and Mrs C complain about the settlement Wakam paid them after they made a claim for accidental damage to their television under their home insurance policy.

Mr and Mrs C are joint policyholders. As most of the communication relating to the complaint has been from Mr C, I'll refer mainly to him in my decision.

Wakam is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Wakam has accepted it is accountable for the actions of the agents, in my decision, any reference to Wakam includes the actions of the agents.

## **What happened**

In early 2023, Mr and Mrs C made a claim under their home insurance policy with Wakam after their television was accidentally damaged.

Wakam offered them a cash settlement of £729 (less the £300 policy excess) for the item. Mr C didn't think Wakam's offer was enough, so he raised a complaint. Wakam maintained its position. It said Mr C's original television that he'd purchased in 2017 was no longer made. It said its value checkers had suggested a like for like replacement model that could be purchased for £729.

Mr C remained unhappy and asked our service to consider the matter. Our investigator didn't think Mr C's complaint should be upheld. She was satisfied Wakam had settled Mr C's claim in line with the policy's terms and conditions.

Mr C disagreed with our investigator's outcome. He commented that Wakam had increased his monthly premium. He said he'd asked Wakam which television he could buy of the same specification for £729, but nothing was provided. He was unable to find anything when he searched. He said the television Wakam had suggested was like for like was not the same specification as his original television.

Mr C said he was unhappy with the claim because he'd purchased the television for £1,299 (after obtaining a £100 discount) and his premium had increased by £120 for the year. He also questioned why Wakam had asked him to provide a receipt.

As Mr C disagrees with our investigator's outcome, the complaint has been passed to me to decide.

## **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 decided not to uphold Mr and Mrs C's complaint. I'll explain why.

I haven't considered Mr C's concern about the increase in his premium as he doesn't appear to have raised this with Wakam prior to bringing his complaint to our service. Our service

may be able to consider this matter as a separate complaint once Wakam has had the opportunity to address it.

The policy's terms and conditions set out how a claim will be settled. They say:

*"If you claim for loss or damage to the contents, we will at our option repair, replace or pay for any article covered.*

*For total loss or destruction of any article we will pay you the cost of replacing the article as new, as long as:*

- the new article is as close as possible to but not an improvement on the original article when it was new; and*
- you have paid or we have authorised the cost of replacement..."*

The settlement report from Wakam's agent who validated the claim says they were unable to provide a replacement. They recommended a settlement cost of £729 based on the recommended retail price of a model of television from the same manufacturer as Mr C's, which was of the same size.

Mr C says the television Wakam suggested isn't of the same specification as his original television. Wakam says the manufacturer no longer makes standard QLED televisions. They use a newer technology called Neo QLED, which is a technology from 2021 and it would consider this to be a big upgrade to the original model in question.

Mr C has provided a link to a QLED television from the same manufacturer which is of a slightly lower price than the amount he paid for his original television. However, I don't think this shows that what Wakam has said about the manufacturer using more advanced technology than it did when he purchased his television six years ago is wrong.

The terms of the policy only require Wakam to pay Mr C enough to cover the cost of replacing his television with one which is as close as possible to (but not an improvement on) the one that was damaged. So, I don't think it would be fair to tell Wakam to pay Mr C the cost of a television which would be considered an upgrade.

I appreciate the settlement Wakam paid Mr C to settle the claim is significantly lower than the amount he paid for his television six years earlier. But the purpose of this type of insurance is to put the policyholder back in the position they were just before the loss or damage happened. The technology market moves rapidly, and costs can decrease quickly as new technologies emerge and become must-have features or existing technologies advance. So, providing an equivalent television will become considerably cheaper over time, and sometimes in a relatively short period of time.

I haven't seen evidence to persuade me that the television Wakam based its settlement offer on is of a lower quality than Mr C's original television. So, I don't think Wakam has acted unfairly.

Mr C has queried why Wakam required him to provide a receipt for the television when it wouldn't compensate him the full amount he'd paid for it:

The policy's terms and conditions say:

*"It is your responsibility to prove any loss and you must provide us with evidence of the value or age (or both) for all items or parts of your building involved in a claim. To help prove your claim we will require you to provide original purchase receipts, invoices, bank or credit card*

*statements, instruction booklets, photographs, utility bills, pre-purchase surveys or plans and deeds of your home."*

So, I think it's likely that Wakam asked Mr C to provide a receipt to show proof of ownership as part of its claim validation process.

I appreciate my answer will be disappointing for Mr C. But, based on what I've seen, I'm satisfied Wakam has fairly settled Mr C's claim in line with the policy's terms and conditions. So, I don't require it to do anything further.

### **My final decision**

For the reasons I've explained, I don't uphold Mr and Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 27 December 2023.

Anne Muscroft  
**Ombudsman**