

## **The complaint**

Mr and Mrs F have complained about the settlement offered by AXA Insurance UK Plc's in relation to a claim made under a home contents insurance policy.

## **What happened**

Mrs F held a home contents insurance policy with AXA. In October 2022, Mr and Mrs F contacted AXA to make a claim as their TV was accidentally damaged. The insured TV was a 60" 3D plasma TV, which Mr and Mrs F say was a high end model at the time they bought it in 2012. They paid £1,274.15 (it was more than this but they received a discount) for it then.

AXA accepted the claim and offered the sum of £629.10 (subject to the policy claim excess of £200) which is how much it says a new 65" LED model would cost. AXA says that both plasma and 3D technology are no longer obtainable. As it can't obtain the exact model, it has found the closest match for the main specifications in line with its policy terms. AXA does not agree to making any further payment.

Mr and Mrs F do not consider this to be sufficient to be able to replace their insured TV with a comparable model. They want a TV of the same picture quality, motion and contrast levels. The equivalent high end models in today's terms are QLED models. The TVs available at the price range set by AXA are low end alternatives that do not have the same picture quality, motion and contrast levels as they had with their original plasma TV which was superior in all these aspects. Mr and Mrs F say that to replace it with an equivalent model of today's standards would be at least £1,599 but ask for the amount they paid for the insured TV (*i.e.* £1,274.15) and for the excess to be waived as a good will gesture. They say this would also to some extent compensate them for the fact he has lost the investment he made in 3D viewing materials.

Mr and Mrs F have also said they want AXA to admit they were wrong, commit to retraining their valuers in the science of domestic TV. They also say the claim took months despite them chasing and they had to buy a new TV (which costs around £3,500 altogether as they had to also get a sound bar) which put them into debt.

AXA said that the policy provides the replacement cost of the same or equivalent model today, without considering wear and tear and deterioration as some policies do. Due to the constant introduction of new models with new technology, many specifications have been retired and no longer available. It maintains that it has made a reasonable offer of settlement in line with the policy terms.

One of our Investigators looked into the matter. She did not recommend the complaint be upheld, as she was satisfied that AXA had made a reasonable offer in settlement of the claim. The Investigator said that while some higher end models that Mr and Mrs F had referred to had comparable picture quality as their old plasma TV they would also be considered upgrades in several other aspects. The Investigator said AXA did not have to find an exact match for each feature or specification of the insured TV but had to provide a reasonably suitable alternative.

Mr and Mrs F do not accept the investigator's assessment. They provided a link to an article comparing LED TVs and plasma TVs, which they say supports that the replacement model proposed by AXA (and others in the same price bracket) is not comparable to the insured TV.

As the Investigator has been unable to resolve the complaint, it has been passed 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.

The policy provided cover for damaged TV it sets out how it will settle claims:

*"Where We replace an item, We will do our best to meet the original specification on a new for old basis. If We can't find an exact replacement, We'll offer You a suitable alternative, or a full cash settlement. If You want to upgrade, all We ask is that You pay the difference."*

Mr and Mrs F's TV was over 10 years old and the technology used is no longer being used today. So an exact replacement, or indeed any replacement with the same 3D plasma technology, is not possible. This is not in dispute.

AXA is therefore obliged, in accordance with the term set out above, to provide a reasonable alternative with as close a match to the original specification as reasonably possible.

I don't agree with this. AXA has to provide a new product that is a reasonable alternative to the insured TV, which might be considered lower in specification than the high end products currently available, given the developments in technology in the time since they bought the insured TV.

Mr and Mrs F say that they are viewing enthusiasts and the contrast and motion quality are particularly important to them. They say it is widely considered by enthusiasts that plasma technology provides far better picture accuracy than all but the very best of current TVs, and the only comparable technology to 3D plasma available currently are the QLED models. Mr and Mrs F provided a link to an article which states that in one reviewer's opinion, plasma TVs were better than LED in many respects.

I acknowledge that certain features and specifications may be particularly important to Mr and Mrs F and this is why they bought the insured TV. I also acknowledge that this is why they have chosen a high end product now as a replacement. However, I have to consider whether the model proposed by AXA is reasonable overall and in line with the policy terms.

The article Mr and Mrs F referred me to appears to conclude that plasma TVs are superior to LED TVs in many respects but also said generally LED technology meant LCD TVs were getting better. The article is dated 2017. Technology in this area has continued to develop. I do not consider this article, or another that they referred AXA to, establish that the model proposed by AXA was unreasonable.

The model proposed by AXA has a number of features that would reasonably be considered to make it of higher specification than the insured TV. AXA is not required to match every aspect of the insured TV and I think it is a reasonable match overall having considered everything provided to me. AXA also does not have to compensate Mr and Mrs F for any other loss as a consequence of the damage to the TV, such as the loss of 3D viewing

materials. Having considered all the evidence provided, I do not therefore intend to require it to make any further payment in settlement of the claim.

Mr and Mrs F also asked that I require AXA to train its staff in relation to domestic TVs better. Even if I thought AXA had done anything wrong here (which I don't for the reasons given above) I have no power to require an insurer to change the way it operates or to provide certain training to staff, as Mr and Mrs F have requested.

Mr and Mrs F also say that the claim took too long. I have not seen any convincing evidence that AXA caused any unreasonable or avoidable delays. Agreement could not be reached about the appropriate settlement but I do not think this was as a result of AXA doing anything wrong. I do not therefore consider that AXA should waive the excess that is payable in the event of a successful claim or that it needs to do anything else.

### **My final decision**

I do not uphold this complaint. AXA Insurance UK Plc has already made an offer to pay £629.10 (less the excess) to settle the claim and I think this is fair in all the circumstances. So my decision is that AXA Insurance UK Plc should pay Mr and Mrs F £629.10, less the policy excess, if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 5 December 2023.

Harriet McCarthy  
**Ombudsman**