

The complaint

Mr H complains that Acasta European Insurance Company Limited has unfairly declined a claim under his furniture warranty.

Where I refer to Acasta, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

In early 2020, Mr H purchased two leather sofas from a furniture store I'll refer to as "F". He opted to take out a five-year warranty and he says F advised him that it would cover all eventualities.

In the summer of 2021, Mr H reported a claim to Acasta for staining to one of the footrests. He says that after a long battle, Acasta eventually replaced the cover in late 2022.

In the summer of 2022, Mr H noticed leather peeling from one of the other footrests, so he made a further claim on his warranty. Acasta arranged for a technician to inspect the sofa who produced a report. This concluded that the peeling was caused by a "*structural issue*" and that there was a "*build-up of outward sources*". Based on this advice, Acasta declined the claim as it said Mr H's warranty didn't cover this type of damage.

Mr H contacted F to see if the damage would be covered under the sofa's guarantee. F initially declined as leather was only covered for two years, and the sofa was now approximately 30 months old. Mr H complained to the Furniture Ombudsman and F subsequently agreed to obtain a technician's report provided Mr H pay for it. This report concluded that the peeling was caused by "*external contamination, most likely from bodily oils or cream/suncream*" and that it "*has built up on the covers over time*" causing the colour to peel. Based on this report, F said it's not a manufacturing issue, so they were unable to assist.

Mr H is unhappy that neither Acasta nor F will take responsibility for the damage to his sofa. He doesn't agree it's a result of wear and tear caused gradually over a period of time, given that the sofa was only just over two years old when the damage occurred. He says he's taken good care of the sofas, using the care kit supplied by F regularly, which is reflected in the technician's report that confirms both the condition and the maintenance of the sofa has been excellent. He raised a complaint, which he brought to our service.

Our Investigator didn't uphold the complaint as he was satisfied Acasta had declined the claim in accordance with the warranty's terms and conditions and hadn't acted unfairly based on the expert evidence available. As Mr H didn't agree, 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.

I understand Mr H is unhappy with both Acasta and F. To clarify, I'm only looking into the complaint about Acasta and its decision to decline Mr H's claim under the warranty. I'm not looking into the actions of F – which I understand are being considered by the Furniture Ombudsman.

The terms and conditions of Mr H's warranty set out the cover as follows:

“Where shown on your Certificate, Stains on...leather furniture...which are sudden and accidental resulting from:

- *Food and beverages.*
- *Ink, paint and dye.*
- *Human and pet bodily fluids.*
- *Cosmetics, soap and shampoo.*
- *Wax and wax polish.*
- *Glue and superglue.*
- *Dye transfer from clothing and newspaper print.*
- *Acids, bleaches, caustic and corrosive solutions and substances.*

Where shown on your Certificate, Structural defects to...leather furniture...following the expiry of the supplier's warranty caused by:

- *Defects to frames caused by breakage or becoming warped.*
- *Defects of mechanical, electric recliners and components.*
- *Bending and breakage of metal components.*
- *Broken zips, castors, and buttons.*
- *Separation of seams and stitching.*
- *Lifting or peeling of the hide on leather furniture.*
- *Loss of resilience to foam and fibre interiors.*

Where shown on your Certificate, Accidental Damage on...leather furniture...caused by:

- *Rips, tears, burns, scuffs, scratches and punctures.*

Accidental Damage includes damage caused by pets. Damage caused by pets (that is not extensive) is limited to three (3) claims during the period of insurance.”

According to Mr H's certificate, the level of cover he's taken out is for stains and accidental damage - so it's only these two sections above that apply to him. He doesn't have the structural defects cover listed on his certificate.

The terms and conditions go on to list what is not covered, and I've listed the relevant exclusions below:

“We will not pay the claim costs arising from:

- *Any damage...caused...by any other cause not specifically mentioned under “what is covered”.*
- *Stains & damage that is consistent with wear and tear*
- *Stains & damage or anything that happens gradually including dye transfer.”*

Looking at the technician's report obtained by Acasta, I can see the expert's opinion is that this is a structural defect. This is consistent with the warranty terms and conditions which lists peeling leather under the structural defects section of cover. And as Mr H doesn't have this section on his warranty, Acasta declined the claim.

I can understand why Acasta has made this decision – as peeling leather isn't a sudden stain or accidental damage such as described in the terms.

The second technician's report, obtained by Mr H and F, gives an opinion on why the peeling has occurred – something that Acasta's technician hasn't commented on. They say it's likely caused from bodily oils or creams built up over time. This could indicate that it is in fact a stain which has caused the peeling. But even if Acasta were to consider the claim under the section of cover for stains, it still wouldn't satisfy the warranty's terms because bodily oils and creams aren't a listed stain. It also isn't a sudden stain, but something the technician believes has built up gradually.

I do understand why Mr H is dissatisfied. His sofa was less than three years old when the leather started to peel – which seems highly unusual given how well he's maintained it. I'm not saying the sofa itself isn't defective – it may very well be – but rather, that his claim isn't covered under the terms and conditions of his warranty based on the level of cover he has in place. Had he benefited from the structural defects section of cover, I might've reached a different outcome.

I appreciate Mr H will be disappointed with my decision, but I hope my explanation goes some way to helping him understand how I've reached this conclusion.

My final decision

For the reasons I've explained, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 September 2023.

Sheryl Sibley
Ombudsman