

The complaint

Mr W has complained about the settlement offered by Domestic & General Insurance Plc ('D&G') under an insurance policy relating to his television. For the avoidance of doubt, the term 'D&G' includes its representatives, agents, and engineers in this decision letter.

What happened

Mr W had taken out an insurance policy with D&G in July 2023 which included cover for his television. The television screen was damaged, so Mr W made a claim to D&G, and its engineer came to inspect, and the engineer said that a new screen was needed. Mr W wasn't happy about the engineer's attitude, nor about an agent's advice over the phone. A different engineer came to repair the television, and the screen was replaced in August 2023. Mr W complained in early September 2023 that there were further issues following this repair. D&G sent an engineer out again who deemed the television to be beyond economic repair. D&G later agreed to replace the television on a like for like basis.

Mr W didn't consider the replacement to be acceptable, as he didn't consider it to be of the same value as his damaged television. He was also unhappy about delays in dealing with the matter. Mr W wanted D&G to pay the insured value of £2,000, and also wanted a refund of subscriptions and premiums as well as compensation for the inconvenience caused for the time when his family didn't have use of the television. D&G initially advised Mr W that he would have to pay an additional £120 for an upgrade as the replacement would be for the same specification as the original television. After negotiation, D&G waived the £120 so that Mr W could order a particular television.

Mr W was advised that the television would be delivered in mid-September 2023, however it was out of stock. Mr W was then offered another delivery a week later, but he said that he no longer wanted the television from D&G, and he now wanted a cash settlement. In early October 2023, D&G agreed to offer a cash settlement for just under £850 as this was the value of the television he had decided to order. Mr W didn't consider the offer to be fair as it wasn't for £2,000. D&G agreed to pay Mr W £100 in compensation but said it wouldn't cover the subscription as the policy didn't cover consequential losses. The payment was eventually processed mid-October 2023 and premiums were refunded.

Mr W complained to D&G, however it considered that it had done everything it could to assist Mr W. Mr W then referred his complaint to this service. However, the relevant investigator didn't uphold the complaint. As the relevant policy didn't offer a replacement based on the value of the original, the investigator didn't think that D&G acted in an unfair manner when it didn't agree to settle the claim for £2,000 or offer an equivalent television which cost £2,000.

Mr W remains unhappy with the outcome of his complaint. The matter has therefore been referred to me to make a final decision in my role as Ombudsman.

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 issue for me to determine is whether D&G applied the terms of the policy and generally treated Mr W in a fair and reasonable manner. In all the circumstances, I consider that it did act fairly and reasonably. I'll explain why.

Turning firstly to what Mr W has said about the matter, in summary, he considered that his insurance policy with D&G provided the necessary cover for his faulty television. If not, he considered that the policy had been mis-sold to him. He now wanted D&G to pay him the difference between the £850 offered by D&G and £2,000, as he considered £850 to be far less than the value of his original television.

Mr W explained the problems which had occurred with the television screen and the service provided by D&G. He wasn't happy with the company that initially came out to his property. He felt that the agent had a '*bad attitude*' and only briefly looked at the television. Mr W didn't wish the same company to carry out the repair. Mr W said that D&G insisted on using it however, and its engineer came out and repaired it. Mr W then went on holiday and when he arrived home, the television didn't work, as a line appeared at the side of the screen.

Mr W said that D&G then sent out the same company and 8 days later, it wrote the television off. Mr W felt that instead of repairing his television, it had made things worse. He explained that D&G agreed to replace the television on a like for like basis. He said that the televisions which D&G offered '*were rubbish*' and not well-known brands and he felt it was a case of D&G saying that he would have to '*like it or lump it*'. He said that his family had been without a television for several weeks. He agreed that the exact television wasn't made any more as it had been a special edition, however he felt strongly that he should be paid the like for like value as his original television.

Mr W also complained about D&G's failure to deliver the replacement television as promised and he had waited in all day and didn't want to be 'messed around' again the following week and said he then cancelled the order. He was also very unhappy that he'd paid for a particular expensive subscription but had been unable to benefit from it without a television. He said that the family did also have an I-pad, but that was his daughter's I-pad, and it wasn't available for the family as it had special adaptations.

Finally, Mr W said that the complaint wasn't just about the financial settlement. It was also about the way that he had been treated as a customer and he said that the process had taken too long. He also felt that he'd received no formal apology from D&G.

I now turn to what D&G has said regarding the matter. Firstly, dealing with its engineer's conduct when he attended Mr W's property in mid-August 2023, it upheld this part of the complaint '*solely on the basis that we cannot dispute how an engineer may have made you feel*' and it left feedback for the engineer. It did not however uphold Mr W's complaint about an agent's conduct in a telephone call in mid-August 2023, '*as there was no error found in the agents conduct.*'

As to replacement items, D&G said that it wouldn't replace an item based on the cost of the appliance and would replace an item based on the specifications. If it was a special edition, this would not be matched. It considered that it had found a suitable replacement for Mr W which was ordered for mid-September 2023. It agreed that the delivery date four days later was not successful as it wasn't in stock, and so upheld this element of the complaint.

Regarding Mr W's complaint that D&G had mis-sold the policy, as Mr W had bought the original television for a price well above the £2,000 threshold for cover. D&G said that the relevant sales call at the end of July 2023 showed that this issue was discussed with Mr W

and that he had confirmed that as he had purchased the television about a year previously, he could now get one the same for about £2000. It therefore considered that, although the appliance had been above the threshold, it had nevertheless fairly honoured the claim.

D&G said that the relevant policy covered an item for mechanical and electrical breakdowns, accidental damage, as well as labour charges. It said that its engineer had called at Mr W's home three days after he reported the damage and confirmed that a new part was required and was ordered. D&G considered that Mr W became unhappy as he'd requested a replacement television but was informed by the engineer that the existing television could be fixed. Mr W had then telephoned a week later to say that the television had broken again and that he wanted it to be written off.

D&G had explained to Mr W that the policy consisted of a repair plan, but Mr W remained unhappy as he considered that D&G had not arranged for a replacement with the correct make of screen and still wanted a replacement television. Ultimately, the television was deemed unrepairable by the relevant repair agent and a link to what D&G considered to be suitable replacement appliances was sent to Mr W. D&G had also refunded a month's premium as he was without the use of the television in the intervening period.

As to the replacements offered, D&G explained that that these would be based on the same or similar specification as the original and not on its original value. If an upgraded model was requested, then Mr W would need to fund the difference. Ultimately, D&G agreed to waive the £120 upgrade fee due to Mr W's dissatisfaction with the overall service.

Finally, as to the fact that Mr W wasn't then happy to accept the replacement as it hadn't been of the same value as the original, D&G again offered a replacement television or a cash equivalent of £850. As a gesture of goodwill however, it offered £100 in compensation in relation to the customer experience, which Mr W accepted, as well as waiving premiums. It declined to refund Mr W's subscription as consequential loss wasn't covered by the relevant policy.

The starting point in this case will be the terms and conditions of the relevant policy. I note that in this case, the policy states that D&G would only replace an appliance with one of the same or similar make and technical specification. They also state that it's at D&G's discretion whether an item is ultimately replaced. The replacement can consist of new remanufactured or refurbished equipment. The basis of the policy is firstly to repair and replace an item only where a repair cannot resolve the issue. No guarantee is provided as to make, model or colour

I note that D&G ultimately decided that it hadn't been possible for the original television to be repaired as had originally been expected. I've seen no evidence to suggest that the replacements identified by D&G weren't of a similar specification to the original as required by the policy terms and conditions.

I note that D&G offered a replacement television as identified by Mr W which was an upgrade model. There were difficulties in terms of delivery, however I consider that D&G had then arranged delivery as soon as stock became available. Following Mr W's change of heart and request for a cash settlement, I consider that D&G then reasonably offered a cash settlement based on the price of the replacement which had been identified. It had also paid £100 in compensation for the service issues as well as waiver of two months premiums.

I note that D&G would not normally provide a cash alternative where it was able to provide a suitable replacement item as in this case. I consider that it therefore acted in a fair and reasonable manner in offering a cash settlement for same amount as the identified replacement in order to allow Mr W to shop around and look for an alternative model if he so

wished. I also can't say that it was unfair or unreasonable for D&G to decline to cover any subscription costs. Consequential loss would not usually be covered by such a policy.

I've also considered duties which insurers owe to their customers. There is an over-arching principle that insurers must act to deliver good outcomes for customers. This does not however mean that a consumer will always get the outcome that they are hoping for. In this case, I can't say that D&G's policy terms and conditions were unclear. They made it clear that repair of the item would be the initial goal. As the repair failed, it was then fair and reasonable for D&G to have tried to assist Mr W in obtaining a suitable replacement television.

I know that this decision will come as a disappointment to Mr W as he has clearly experienced considerable frustration over the claims process. Nevertheless, in all the circumstances I can't say that D&G applied the terms of the policy in an unfair or unreasonable manner. In conclusion, I'm satisfied that the solutions offered to Mr W by D&G in relation to the complaints were fair and reasonable. I don't therefore uphold Mr W's complaint.

My final decision

For the reasons given above, I don't intend to uphold Mr W's complaint and I don't require Domestic & General Insurance Plc to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 February 2024.

Claire Jones
Ombudsman