

The complaint

Ms R is unhappy that Domestic and General Insurance PLC (D&G) declined to replace her appliance, following a claim under her gadget insurance policy.

What happened

Ms R held a policy with D&G from 6 November 2019. Her appliance was written off on 26 October 2020 and a replacement appliance was sent to her. Ms R said that the replacement wasn't the colour that she wanted but accepted that it was the same specification as the previous appliance. It was at this time that the policy terminated as Ms R had been provided with a replacement appliance.

On 30 October 2020, Ms R ordered the replacement appliance, from a link that had been sent by D&G. The appliance was delivered on 2 November 2020. Ms R contacted D&G on 16 May 2022 and reported that she had found a mark on the fridge. D&G advised her that there was no cover (as the policy had terminated once the replacement appliance had been delivered to her) so it referred her to the appliance manufacturer.

Ms R re-contacted D&G on 29 June 2020, as she told them that the appliance manufacturer had advised her to go back to D&G. D&G told Ms R that as the damage, she was describing amounted to cosmetic damage, even if there was protection in place, this wouldn't be covered, as cosmetic damage is excluded from cover. Ms R was again referred back to the appliance manufacturer.

Ms R later complained to D&G. In its final response, D&G maintained its position as outlined, and gave Ms R her referral rights.

Ms R referred her complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. She said that D&G had fairly applied the terms of the policy. There was no cover in place currently and even if there had been, as the damage was classed as cosmetic, there was no cover. So, she was unable to ask D&G to do anything further.

D&G accepted the view, Ms R did not. Ms R said:

'I have received your email and I'm not happy with your decision. I followed all their rules and got nowhere. You say their policy is to provide a replacement but it should be an expectable replacement offering you a choice they offered me a choice of three of the same grey fridge which is not acceptable to me. Although they are the insurance provider it was them who provided the fridge freezer to me the same as if I'd bought it from a shop so under consumer rights I would of thought they would be held responsible.'

So, she asked for a decision from an 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.

Having done so, I won't uphold this complaint, for much the same reasons as our investigator. I understand that this is likely to be a disappointment to Ms R, but I hope my findings explain why I think this is fair.

I understand that Ms R has also complained about some poor service issues she said she experienced. But I must make it clear that this decision deals with areas that she raised with D&G, namely, whether D&G ought to replace her appliance.

Ms R held a policy with D&G. It's not in dispute that she made a claim, and it replaced her appliance, due to the previous one being written off. Ms R explained that sometime after the replacement was made, she noticed there, was discoloration on the appliance and contacted D&G.

D&G said that once it had replaced Ms R's previous appliance, the policy that had covered the previous appliance had ended, once Ms R had accepted the replacement. I have reviewed this in line with the evidence presented. I can't see that Ms R had any cover for the appliance that became discoloured. I say this, as Ms R had claimed on the previous policy which had ended.

Consequently, I think that D&G were fair to refer Ms R to the appliance manufacturer to assist with her discoloured appliance.

I've reviewed the previous terms and conditions. As well as D&G making it clear that there was cosmetic damage (which is damage that doesn't affect the usual operation of the appliance) is not covered, the policy also confirms this. So had Ms R had a valid policy in place, the damage she described, wouldn't have been covered anyway.

I appreciate that Ms R spent some time trying to sort out the issues she had with the appliance, with both D&G and the appliance manufacturer. But, given there was no policy in force at the time (even if there had been one there was no cover) I can't agree that D&G were unreasonable or unfair to have declined her claim.

Finally, I understand that Ms R said that she wasn't happy with the replacement appliance, essentially, she wasn't happy with the colour, that D&G refused to settle the claim with a cash offer and the lack of options available to her. I have been provided with a number of call recordings, which I have listened to. From that evidence, D&G offered Ms R several options, albeit some of those options required an additional cash payment. Those options were declined by Ms R. So, the only other options which were three different appliances were available. So, I can't agree that D&G didn't apply the policy terms and conditions here.

Ms R said that she wanted a cash settlement as she didn't want the same or similar appliance to the one that had broken down. But the terms and conditions permit D&G to select what option it uses to settle a claim. I accept that one of the options is a cash settlement, but another is to offer a replacement, which is what D&G did here. Again, I can't agree that it did anything wrong here.

Nor can I agree that by offering a different colour, but same specifications as the appliance was wrong also. As the policy allows this.

I acknowledge Ms R's strength of feeling about this complaint and the reason why she referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that D&G acted unfairly. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 11 September 2023.

Ayisha Savage
Ombudsman