

The complaint

Mr S has complained about how Domestic & General Insurance Plc (D&G) dealt with a claim under an appliance warranty.

What happened

Mr S took out a warranty for his TV. D&G later cancelled the policy as Mr S's bank told it the direct debit had been cancelled. About a year later, Mr S contacted D&G. He said he was checking his direct debits and noticed some had been cancelled. D&G confirmed there were no live policies.

Mr S said he still wanted cover for his TV and took out a new policy. Mr S phoned again a few weeks later to discuss the policy start date and the premium. He cancelled the policy. Later that day, Mr S setup a new policy online for the TV. He also made a claim for the TV the same day under the new policy. D&G booked in a repair, assessed the TV and wrote it off. Mr S was offered a replacement TV.

A couple of days later, Mr S phoned D&G as he hadn't received the link to order a new TV. Mr S said his first policy had been reinstated and it wasn't a new plan. D&G said it had been set up as a new plan because of how long ago the new policy had been cancelled.

Mr S complained to D&G. When D&G replied, it said it wouldn't replace the TV as the claim had been made within the first 30 days after the plan was taken out. It said it shouldn't have accepted the claim during that period. D&G then sent a further letter that explained again that the TV wouldn't be replaced, that the original policy hadn't been reinstated and that as soon as the new policy had been taken out that a repair had been booked, which suggested it wasn't in good working order at the time the policy started.

So, Mr S complained to this service. Our investigator didn't uphold it. He said it was reasonable for D&G to cancel the first policy. When the new policy was setup, Mr S wasn't told the previous policy would be reinstated. Mr S then cancelled that policy and took out a new one. Mr S made a claim the same day. Our investigator said it was fair that D&G declined the claim due to a pre-existing issue.

As Mr S didn't agree, the complaint was referred 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.

Having done so, I don't uphold this complaint. I will explain why.

Mr S originally took out a policy with D&G for his TV in 2021. D&G wrote to Mr S when the policy was due to renew. Mr S's bank then told D&G the direct debit had been cancelled.

D&G wrote to Mr S twice to tell him the TV wouldn't be covered if he didn't reinstate the plan. D&G didn't hear from Mr S, so it cancelled the plan. From what I've seen, D&G took steps to tell Mr S the policy wouldn't renew and I think it was reasonable for it then to cancel the policy.

About a year later, Mr S contacted D&G to say he had noticed some direct debits had been cancelled. He said he had cancelled some of the direct debits for other items he had cover for with D&G, such as a games console and a hob, but not for the TV. D&G said it could set up a new policy and described the differences to the plan Mr S previously had, such as a call-out fee. It quoted a price based on the details it held. Mr S checked the details and said the TV was bought for £1,300, not £300. D&G provided a new quote for a higher premium. It explained the excess and said there was a 30-day period before a claim could be made. Mr S agreed to take out the policy.

Mr S phoned back a few weeks later to query the start date for the policy. D&G told him he couldn't make a claim during the first 30-days. Mr S asked what would happen if something happened to the TV during that time. D&G said Mr S would have to wait. Mr S also said he had received a renewal letter offering him a policy for a lower premium. He then cancelled the policy. The same day he set up a new policy online and then made a claim for the TV about an hour later.

Mr S has said his policy was reinstated, so the TV should have been covered by the new policy. I'm satisfied that both of the new policies weren't the original policy being reinstated.

The policy set up over the phone didn't offer Mr S cover on the date he made the claim for the TV, as it hadn't been in force for 30 days. I note that the policy set-up online the same day was based on the TV having a purchase price of £300, which was incorrect. The policy documents said the TV had to be in good working order when the policy was taken out. When Mr S spoke to D&G earlier in the day about the 30-day wait period on the policy, he queried what would happen if the TV was damaged during the wait period. When he took out the online policy a few hours later, he then made a claim for the TV within an hour. So, I think it was reasonable for D&G to decide the TV was likely to have had a pre-existing issue and to decline to deal with the claim.

Having thought about the full circumstances of this complaint, I don't uphold it or require D&G to do anything further.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

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

Louise O'Sullivan
Ombudsman