

## **The complaint**

Miss B has complained that Domestic & General Insurance Plc ('D&G') declined her claim for a replacement fridge-freezer under her home appliance insurance policy.

For the avoidance of doubt, the term 'D&G' includes reference to its agents and representatives in this decision letter.

## **What happened**

Miss B's fridge-freezer developed a fault in early 2023. Miss B understood that she had cover under a home insurance policy with D&G at the relevant time. She'd initially taken out a plan with D&G in December 2019. As the fridge-freezer was still within the relevant warranty period, the manufacturer's engineer attended Miss B's home, assessed the appliance as unrepairable and confirmed that a replacement was required.

Miss B then telephoned D&G and its representative confirmed that it would collect the fridge freezer to be replaced. D&G subsequently informed Miss B that her policy had been cancelled in December 2020. It transpired that D&G had sent correspondence to her parents' address and her father had accidentally cancelled the policy believing that it was for his wife. Miss B complained to D&G however it maintained its stance.

Miss B then referred the matter to this service. She felt that D&G had breached GDPR as well as having cancelled the policy incorrectly. She wanted D&G to replace the fridge freezer and compensate her for the distress caused. In the circumstances, Miss B referred her complaint to this service. The relevant investigator initially didn't uphold Miss B's complaint. However, having received further information from Miss B, he subsequently upheld the complaint as he considered that Miss B had provided relevant details when she set up her policy and that D&G should have done more before cancelling Miss B's policy.

The investigator recommended that D&G proceed to arrange a replacement fridge freezer and to pay £150 to Miss B in compensation for the inconvenience caused. D&G didn't agree with the investigator's revised view. In the circumstances, the matter has been forwarded 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 here is whether D&G acted in a fair and reasonable manner in cancelling Miss B's policy and then declining her claim for a replacement fridge freezer. I don't consider that it did act fairly and reasonably in all respects, and I'll explain why.

Miss B said that she'd cancelled cover for a separate appliance in June 2021, but not cover for her fridge freezer. When she queried the issue with D&G, it said that her 'husband' had cancelled the policy. It transpired that D&G had sent correspondence to Miss B's parents' address and her father had cancelled the policy, believing it was his wife's. In any event, she

said that the policy couldn't have been cancelled by her husband, as she was the policy holder, and her husband was not living with her at the time. She said that correspondence had been sent to her parents' address which *'started this whole mess in the first place'*. Miss B said that D&G kept making the same administrative error by continuing to send letters to the wrong address, although she'd brought it to D&G's attention in April 2023.

Miss B said that when she purchased the policy, the address she provided to D&G was her own address and that all correspondences should have come to this address in the first instance. She didn't think that D&G should have assumed that her bank billing address was the address where the fridge freezer was located. During security verification, Miss B felt that D&G should have been alerted to an issue, as the name of the policy holder given by her father was different to Miss B's initials which she'd provided on setting up the policy. She said that D&G was well aware that the information given by her father didn't match the address on the system and noted this on four occasions in a telephone call. Miss B also said that, to her knowledge, she had continued to pay her direct debit for the fridge freezer.

Miss B's new policy didn't fully cover her for the damaged item whereas her old policy stated she would receive a like for like replacement if the fridge wasn't repairable. Miss B said she'd been forced to use a mini fridge for her young family and that she was *'very much dependent on a fridge,'* particularly due to her children's age and health issues, which meant additional fridge space was needed. Miss B said that this had caused inconvenience and a lot of unnecessary stress.

Finally, Miss B said that the fact that letters had been sent incorrectly by D&G to her parents' address, this demonstrated incompetence and flawed administration, as well as breach of GDPR. Miss B felt that the customer service she'd received had been poor and very disappointing. She felt that *'D&G have made a complete mess of my policy and are not taking responsibility for it.'*

I now turn to what D&G have said about the matter. It said that it had sent a letter to Miss B at the parents' address, and that she'd advised this to be a correct address. In its final response letter, D&G said that it had received a phone call from her 'husband'. It also said that security checks were confirmed with him, and he'd advised he was authorised to speak on his wife's behalf and so it was correct in cancelling the plan. D&G said that its policy was that a husband/wife/partner/spouse could cancel the plan if they passed the security checks, lived at the same address and could confirm authority to act on behalf of the plan holder.

D&G's position was that following cancellation of the policy, no claim could be made on that policy. On the date of cancellation, Miss B's father confirmed that he was speaking on behalf of Miss B as *'she doesn't speak very good English,'* and it could *'hear her in the background'* it accepted Miss B's father as her representative. It had no reason to believe this was untrue. It agreed that its representative had acknowledged that the policy was at a different address, but continued to cancel the agreement *'as the customer is stating they never agreed to take the policy out.'* As such, I said that Miss B's father had been able to verify the policy details and pass security in line with its cancellation process. It acknowledged that its systems did show Miss B's initial on the front screen.

As to the relevant address, D&G explained that Miss B had informed its agent that her credit card was registered at her parents' address. As such D&G said that the policy was set up as this billing address, which it said was standard practice across the industry and said that it couldn't change this. As it received no communication from Miss B to tell it that she'd moved out of her parents address at the time the policy had been set up, the policy remained at the billing address. It added that when purchase was online, the correspondence will always go to the billing address as this *'verifies that card and prevents potentially fraudulent activity.'*

D&G said that when the original policy was set up, the documents were emailed to Miss B, showing the correspondence address as her parents' address and the appliance address underneath. It said it had no other reason to suspect that there had been an error. If there was a problem with the address, it questioned why Miss B didn't raise the issue with D&G at the time. In summary, D&G considered that it had cancelled the policy correctly.

I've carefully considered all available evidence as well as the above submissions made by the parties. I can see that the cancellation of the policy in December 2020 took place in the context of some unfortunate confusion. Miss B was absolutely clear that she hadn't cancelled and had not intended to cancel the cover for her fridge freezer. I take on board that her claim was made over two years after the cancellation. As such, it would usually be expected that a policy holder would have queried the lack of information from D&G each year and checked exactly what direct debits were leaving her account. Nevertheless, it appears that some of the confusion arose as Miss B had insured more than one item with D&G. Whilst this is a finely balanced determination, on the balance of probabilities, I'm satisfied that Miss B believed that her policy remained in force.

Turning to the cancellation event, I can't say that D&G acted in an unfair manner initially in setting up a policy to, and corresponding at, the billing address where the relevant credit card was registered. I understand that this verifies the card at the relevant address and prevents potentially fraudulent activity. I also recognise that some of the confusion was due to Miss B's arrangements at dual addresses. Finally, I accept that D&G emailed the policy documents to Miss B at inception of her policy, and that she hadn't raised an issue at that time regarding the address appearing on the policy.

Nevertheless, at the date of cancellation. I don't consider that D&G acted in a fair and reasonable manner. I consider that there were two discrepancies which should have alerted D&G that there was an issue with security clearance, before it cancelled the policy. I consider that this should have triggered further action and checking further information.

The first discrepancy was that Miss B's father had referred to his wife's name in the relevant telephone call with D&G. This was different to Miss B's name. D&G had acknowledged that it had a record of Miss B's initials, and this should therefore have raised a concern. The second discrepancy was the dual addresses. Whilst D&G raised this discrepancy more than once during the telephone call, it didn't further explore the potential issue before cancelling the policy. In the circumstances, I can't say that D&G had fairly and reasonably cancelled Miss B's policy.

In the circumstances, if the manufacturer still hasn't replaced the fridge freezer which it deemed to be unrepairable, then I consider that D&G should now arrange for Miss B to be provided with a replacement in accordance with the policy terms and conditions, being an item of a same or similar make and technical specification. I also consider that D&G should pay Miss B £150 in compensation for the distress and inconvenience caused.

### **My final decision**

For the reasons given above, I uphold Miss B's complaint and I require Domestic & General Insurance Plc to do the following in response to her complaint.

- To arrange for Miss B to be provided with a replacement fridge freezer in accordance with the policy terms and conditions, being an item of a same or similar make and technical specification.

To pay Miss B £150 in compensation for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 November 2023.

Claire Jones  
**Ombudsman**