

The complaint

Mr W has complained of a mis-sale and poor service by Domestic & General Insurance Plc ('D&G') regarding his home appliance insurance policy.

What happened

Mr W reported to D&G that his kitchen hob had developed a fault in January 2023 as he'd held a D&G policy since September 2021. Mr W complained that D&G had given him advice to obtain the policy as well as a manufacturer's warranty, but his home insurance also covered accidental damage. He thought D&G hadn't assessed his needs properly and the policy's suitability. He said D&G referred him to the manufacturers but had been given the impression D&G would deal with all faults. He considered this amounted to a mis-sale.

Mr W referred his complaint to D&G however it maintained its stance. In the circumstances, Mr W then referred his complaint to this service. The relevant investigator didn't uphold Mr W's complaint as he considered that D&G had provided a sufficient explanation of cover during the initial telephone call with Mr W and didn't consider that it had mis-sold the policy. He said D&G hadn't been told that Mr W already had cover under his buildings policy, and he'd expressed a wish for accidental damage cover to be in place. He didn't think it unreasonable for D&G to refer Mr W to the manufacturers to see if any damage would be covered by them firstly under the initial warranty, prior to consideration under the policy.

In summary, whilst the investigator thought that D&G could have made it clearer at the point of sale, that it may first refer an issue to the manufacturers if the fault happened within the warranty period. He nevertheless felt that Mr W would still have taken out the policy, based on his conversation with D&G and his desire for accidental damage cover to be in place. He suggested that Mr W contact D&G and the manufacturers directly in relation to any outstanding repairs.

Mr W remains unhappy with the outcome of his complaint. In the circumstances, the case has 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.

Mr W said he'd had an issue with his kitchen hob which had been kindly purchased for him as a gift. He said that D&G had advised in 2021 that a policy would ensure that any potential issues he had with the hob would be covered against all eventualities. After some time, he did have an issue with the hob and called D&G to make a claim. The claim was then referred to the manufacturer under the warranty. Mr W said that when D&G sold the policy to him, it gave him the impression that D&G would handle all claims, and indeed, that was the point of paying the premium.

Mr W considered it would have been a reasonable assumption that D&G would first arrange an inspection to assess the claim and determine if there had indeed been accidental

damage. As it stood, Mr W considered that he'd paid premiums for nothing as he hadn't received a refund or an inspection. Mr W also said that when he complained, he didn't receive a call as requested and just received a final response.

In summary, he said *'This policy wasn't sold as described and I would like a refund of premiums paid.'* Mr W considered he'd been misled by D&G, and he still had an issue with the appliance.

D&G said that in 2021, its agent had explained that the warranty covered parts, labour, and callouts for mechanical and electrical faults. She'd then offered the policy in question as, unlike the warranty, it covered accidental damage and continued after the manufacturer's warranty ended. It explained that if a customer had a mechanical or electrical fault with their appliance when under guarantee, then the customer needed to contact the manufacturer to arrange a repair. If the repair was for a mechanical or electrical fault outside of the guarantee, then the customer needed to contact D&G to arrange a repair. For an accidental damage claim either within or outside of the manufacturer's guarantee, then again, the customer needed to contact D&G to arrange a repair.

D&G thought that Mr W was fully aware of what the policy would cover. As to Mr W's point that he'd been charged for a policy which he didn't need, it said that he'd accepted cover and it said that no refund was due. As to the requested repair, it said that the repair may not be associated with an accident. D&G said that *'as we or the customer is unsure the customer is referred to the manufacturer by [D&G] with a referral number to cover the claim. This means the repair will be covered under the agreement if determined that it is accidental not mechanical or electrical. As this is the case the customer has correctly been directed to the manufacturer for the assessment and repair to take place.'* It said that if accidental damage had occurred, the policy would cover the costs. If mechanical or electrical the manufacturer would cover the cost. It concluded that no mis-sale had occurred.

The starting point in determining cases of this nature will be the terms and conditions of the relevant policy. Here I note that the policy is clear that it includes, under the heading *'Breakdown (after the manufacturer's guarantee),'* the following cover: *'If your product suffers a mechanical or electrical breakdown after the end of the manufacturer's parts and labour guarantee period, we will (at our option) do one of the following: authorise a repair, arrange a replacement, or pay the cost of a replacement product.'* Under the heading, *'Accidental damage (during and after the manufacturer's guarantee),'* it states *'Both during and after the end of the manufacturer's parts and labour guarantee period, if your product suffers accidental damage (i.e. physical damage as a result of a sudden cause that means the product is no longer in good working order), we will (at our option) authorise a repair, arrange a replacement or pay the cost of a replacement product.'*

I've listened to the relevant telephone call recording from the date when Mr W took out his policy with D&G and I note that a detailed discussion took place between Mr W and D&G's representative. In this discussion the representative clearly explained the cover that was being offered in addition to the warranty. I consider that Mr W also made it clear that he wished to have accidental damage cover, due to problems which he'd experienced in the past. He also specifically asked for assurance that it didn't make a difference, whether by warranty or plan. The representative assured him that it was all covered and that if there were any issues, then Mr W should give D&G a call and it would all be sorted for him.

I note that D&G made it clear that it worked directly with the manufacturers. From the call recording I'm also satisfied that whilst it wasn't spelt out, it was implied that the first port of call for a customer would be the engineers who would determine in the first instance whether it covered the fault. I agree that it would have been clearer if D&G had spelt out that this would be the manufacturer's engineers rather than its own engineers.

I note that however, that following the failure of Mr W's appliance, D&G initially referred Mr W to the manufacturers as the cause of damage wasn't apparent. Unfortunately for Mr W, I can't say that this was an unreasonable approach for D&G to take. Mr W wasn't clear whether there was accidental damage, and the failure occurred within the first two years. In the circumstances, it was quite possible that the hob failure would have been covered under the manufacturers guarantee rather than the policy. If it transpired that this wasn't the case, then D&G would reasonably be required to consider the claim under the policy.

In conclusion, I understand that Mr W expected D&G to deal with all the issues in relation to a claim, however, I'm satisfied that it wasn't unreasonable for D&G to refer Mr W to the manufacturers as part of the claims process. In the circumstances, I don't uphold Mr W's complaint and I can't say that D&G acted in an unfair or unreasonable manner. Nor can I say that D&G mis-sold the policy to Mr W. I consider that the policy cover was explained to Mr W when he took out that policy. I'm also satisfied that Mr W didn't make D&G aware that he already had cover for accidental damage under his buildings policy and that it wouldn't reasonably be expected to check this on Mr W's behalf.

I appreciate that this will come as a disappointment for Mr W. However, I can't say that D&G has treated Mr W in an unfair or unreasonable manner. I also can't say that D&G mis-sold a policy to Mr W.

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 25 December 2023.

Claire Jones
Ombudsman