

The complaint

Mrs H complains about Currys Group Limited trading as Knowhow (“CGL”) and the way they handled the claim she made after her washing machine broke down.

What happened

In 2012, Mrs H purchased a washing machine. Alongside this washing machine, Mrs H agreed to pay a monthly premium for a care plan, provided by CGL.

Unfortunately, in November 2022, Mrs H’s washing machine broke down. So, under the terms of the care plan, CGL arranged for an engineer to attend Mrs H’s home and repair the washing machine. But a repair wasn’t possible and so, the washing machine was deemed beyond economical repair.

The following day, CGL issued vouchers worth £229 to Mrs H, to allow her to purchase a like for like replacement, in line with the care plan terms. But Mrs H was unhappy with the value of the vouchers, as she didn’t think it was reasonable to expect her to purchase the intended like for like replacement of that value due to the online reviews she’d seen. So, she wanted the value of the vouchers to be increased.

CGL responded to the complaint and didn’t uphold it. They thought the value of the vouchers offered were fair, and in line with the terms and conditions of the agreement. So, they didn’t think they needed to do anything more. Mrs H remained unhappy with this response, so she referred her complaint to us.

While the complaint was with our service, CGL made two offers to resolve the complaint as gestures of goodwill without accepting they did anything wrong. Initially, CGL offered to increase the value of the vouchers to £399, in line with Mrs H’s request, plus a partial contribution of £250 towards Mrs H’s laundry costs. Mrs H rejected this offer, and CGL offered to increase their contribution to Mrs H’s laundry costs to £520.

Our investigator considered this offer, and thought it was a fair one. They explained their belief that CGL hadn’t done anything wrong when offering Mrs H a voucher of £229, as this fell within the terms of the agreement Mrs H held. So, they thought CGL’s good will gestures were both fair and reasonable, as our investigator didn’t think this was something CGL needed to do.

Mrs H didn’t agree. And she explained she wanted compensation for the time she’d been without a washing machine. Our investigator explained they didn’t think compensation was necessary, as they didn’t think CGL had done something wrong that led to Mrs H being without a washing machine. They thought it was Mrs H’s own decision to reject the first voucher offer, which our investigator thought was fair. So, our investigator didn’t think CGL needed to do anything more. Mrs H remained unhappy and so, the complaint was passed to me for a decision.

During this time, CGL made our service aware of their belief the agreement Mrs H held wasn’t an insurance product. And in that situation, the complaint would fall outside of our

jurisdiction. Our investigator considered CGL's comments but set out why they felt the agreement was a contract of insurance, referring to the rules and regulations our service works within.

CGL accepted our investigators view and agreed for our service to continue with our investigation and for a final decision to be issued.

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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it's important to note CGL's comments regarding the agreement Mrs H held. I note CGL stated this wasn't an insurance product. And I can see our investigator considered these comments, before setting out why they disagreed. Following this, I can see CGL accepted our investigators view, and agreed for our service to continue with the complaint. Because of this, I'm satisfied this issue is no longer in dispute and so, I don't intend to discuss this issue any further. And I've continued to issue a decision at the request of both CGL and Mrs H.

First, I want to recognise the impact felt by Mrs H. I appreciate her original washing machine broke down through no fault of her own, and this significantly impacted her ability to wash her clothes in a convenient way. So, to prevent this happening again, I can understand why Mrs H would want to ensure a replacement was fit for purpose and unlikely to break down. And when Mrs H read negative reviews regarding the replacement CGL used to calculate their original voucher offer, I can understand why Mrs H was reluctant to purchase this model and want another instead.

And as CGL refused to do so, leaving Mrs H without the voucher amount she wanted for the model she identified, I can understand why Mrs H felt she was treated unfairly and why she'd wanted her costs to be reimbursed alongside compensation.

But for me to say CGL should be responsible for these costs, and any additional compensation, I first need to be satisfied CGL have done something wrong. So, I'd need to be satisfied they failed to act in line with the terms of the agreement Mrs H held when putting forward their first offer in November 2022. Or, if I think they did act within these, that they acted unfairly in some other way. And in this situation, I don't think that's the case.

I've seen the terms of the agreement. And they explain, where an appliance such as Mrs H's washing machine can't be fixed, Mrs H could *"request a replacement product"* within 21 days. The agreement goes on to explain that *"Usually, the replacement will be in the form of vouchers to purchase a product of equivalent specification"*.

In this situation, CGL paid Mrs H the initial voucher the day after it was deemed a repair couldn't be completed. So, within the 21-day time period set out within the agreement. And the voucher value was for a replacement model of the same make, weight capacity and spin speed. So, I'm satisfied the initial voucher value allowed Mrs H to purchase a product of an equivalent specification. And because of this, I'm satisfied CGL acted within the terms of the policy, and that the voucher value initially provided to Mrs H was fair. So, I don't think I can say CGL did anything wrong here.

I appreciate Mrs H doesn't agree. And she's explained why she wasn't willing to purchase the replacement product CGL earmarked. But I think this was Mrs H's own decision, based on her own opinions generated from reviews she'd read. So, if Mrs H wanted a product of a different specification, that cost more than the vouchers she received, then I think it was ultimately Mrs H's responsibility to pay the additional amount.

The policy CGL provided was designed to ensure Mrs H was covered financially for a like for like replacement of an equivalent product, and I think the initial voucher value allowed Mrs H to purchase such a product. So, I think that any inconvenience Mrs H suffered after these vouchers were received was created by Mrs H's own decision, rather than anything CGL did wrong. And because of this, I don't think I can say CGL need to do anything more, including pay Mrs H any compensation.

But I do note that CGL have offered Mrs H an increase in voucher value to £399. And a further £520 payment to cover Mrs H's laundry costs as she has yet to purchase a replacement washing machine. These offers were made as a gesture of goodwill by CGL and it is now up to Mrs H whether she wishes to accept this offer. Mrs H will need to contact CGL directly to discuss this and arrange any payment.

My final decision

For the reasons outlined above, I don't uphold Mrs H's complaint about Currys Group Limited trading as Knowhow.

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

Josh Haskey
Ombudsman