

The complaint

Mr S complains about the service he received from Domestic & General Insurance Plc (DG) under a protection policy for his TV.

References to DG include their agents who administer policies and carry out services under policies.

This decision covers Mr S's complaint against DG as the insurer of his protection policy for his TV. It doesn't cover the provider of his TV service, a separate business.

What happened

Mr S had a protection policy with DG that covered breakdown and repairs to his TV. In April 2023 the TV became faulty (the screen stopped working). After inspection by an engineer DG deemed it to be unusable, as a replacement screen was obsolete. Under the terms of the policy Mr S was offered several alternative replacement TVs, one of which would normally have incurred a £400 upgrade fee, which DG agreed to waive.. However Mr S said none of them met his requirements as they lacked what he considered to be essential features, including the sound system, internal hard drive and screen refresh rate. The features were of great significance to Mr S.

Mr S looked at the available options from DG, concluding there was a suitable replacement model which had the features he wanted. However, if he chose the model, he'd have to pay an upgrade fee of £1,050. Mr S thought this unreasonable. As he didn't think DG were offering him a suitable replacement (unless he paid the upgrade fee) Mr S thought DG should offer him a voucher or a cash settlement.

Unhappy at the replacement offered not including the features he wanted (unless he paid the upgrade fee) Mr S complained to DG.

DG didn't uphold the complaint. In their final response they said they'd reviewed the specification of Mr S's TV against the model they'd offered as a replacement, concluding it was a reasonable offer as it matched the specification and features Mr S had asked for. The replacement model had no upgrade cost and was available to order. DG referred to policy terms and conditions, which stated they would aim to replace a TV with one of the same or similar specification. In making their offer, DG believed they had done so. DG also referred to the model Mr S had asked for as a replacement, which had an upgrade cost of £1,050. DG said that after reviewing the model, they'd concluded it was a significant upgrade to Mr S's previous TV. But if he wanted to order the upgraded model as a replacement, he could do so at the upgrade cost DG had quoted.

DG also said the policy was a replacement plan – vouchers would only be offered if the replacement was incorrect. If vouchers weren't available, DG would offer a cash settlement. But as DG thought the replacement model offered was correct, they wouldn't offer vouchers or a cash settlement. DG referred to the relevant policy terms and conditions.

Unhappy at DG's final response, Mr S complained to this service. He said the replacement model offered didn't include the features he wanted, and it was unreasonable he'd have to

pay an upgrade fee for the model he considered had those features. He also thought it unreasonable DG wouldn't offer him a cash alternative – even though the terms of the policy explicitly provided for this. Because he didn't think DG had offered a suitable replacement, he was without a means of watching TV. Having a significant disability meant he was at home, so the delays in providing a suitable TV with what he considered essential features was causing him significant distress as he wasn't able to watch content. Mr S wanted DG to provide a replacement model he considered equivalent to his TV, or a cash settlement.

Our investigator issued an initial view in which they didn't uphold the complaint. The investigator thought DG had acted fairly in offering a replacement TV with a similar specification to Mr S's TV (and waiving what would normally be a £400 upgrade fee). The replacement model requested by Mr S would be a significant upgrade on his TV, so it would be unreasonable for DG to waive the £1,050 upgrade fee. As Mr S had access to at least one other TV, the investigator also thought he had access to watching TV.

Mr S disagreed with the investigator's initial view, raising several points. First, he'd made DG aware of his disability and his TV service provider had recorded his disability. Secondly, as he'd rejected the upgraded replacement, he should be entitled to a cash settlement (if the voucher that might be offered was for a retailer that didn't stock a replacement TV with similar features). Thirdly, he provided a comparison of the features of the replacement TV offered, which he said showed it didn't include the features he required. Fourthly, Mr S said he relied on having a TV in each room for entertainment and social connections. The absence of a replacement TV for the one that was faulty had a negative impact on his emotional wellbeing.

Our investigator considered the points raised by Mr S and issued a second view. The investigator noted Mr S had made his TV service provider aware of his disability. But this didn't mean DG automatically were aware – they said they weren't. On the second point, the investigator maintained their view DG had offered a replacement TV with a similar specification, in line with the policy terms and conditions. And they'd waived the £400 upgrade fee, which the investigator thought fair. As they'd offered a replacement model with a similar specification, they were obliged to offer a voucher or cash settlement. DG were also not bound to accept the replacement TV model requested by Mr S (and waive the £1,050 upgrade fee). On the model specifications provided by Mr S, the investigator thought the replacement model offered was very close in specification, which the investigator thought fair. The investigator acknowledged the impact not having his TV had on Mr S, but as he thought DG had acted fairly in offering a replacement model with a similar specification, they hadn't acted against the policy terms and conditions. So, the investigator maintained their view not to uphold the complaint.

Following the investigator's second view, to resolve the complaint, DG offered a cash settlement (£649) based on the retail price at a major retailer of the replacement model they'd offered to Mr S. Mr S initially accepted DG's offer, but only if they'd also pay £100 compensation for the distress the situation had caused him. DG said they wouldn't agree to pay compensation in addition to their cash settlement offer.

Mr S then requested an Ombudsman review the complaint, saying he wanted the previously waived £400 upgrade fee for the replacement model offered in addition to the £649 cash settlement offer (a total of £1,049) in addition to £100 compensation.

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.

I'd first want to acknowledge what Mr S has told us about his significant disability and the impact it has on him. I recognise the importance of his being able to view content through a TV with what he considers essential features. I've borne this in mind when deciding, as is my role here, whether DG have acted fairly towards Mr S.

The main issue in Mr S's complaint is whether DG have offered a reasonable replacement TV with the features he wants. Mr S says it's unreasonable for DG to ask him to pay an upgrade fee for a replacement he considers equivalent to his TV. He also says it's unreasonable not to offer him a voucher or cash settlement. DG say the replacement TV offered is a reasonable replacement for Mr S's TV, in accordance with the policy terms and conditions. As they've offered a reasonable replacement, they wouldn't offer a voucher or cash settlement as an alternative.

I've noted the position now reached in this complaint is that DG have offered a cash settlement based on the retail price of the replacement model they've offered. Mr S says he would be prepared to accept a cash settlement of £1,049 (the £649 offered plus the £400 previously waived upgrade fee) and £100 in compensation for the distress he's suffered. So, this is the issue I've considered in deciding whether DG have acted fairly and reasonably towards Mr S.

The first issue I've considered is whether DG have acted in line with the policy terms and conditions in offering the replacement model on which their cash settlement offer is based. I've looked at the policy terms and conditions concerning replacements referred to by DG in their final response. The relevant term is as follows (DG emphasis):

"6. Replacements

*Any replacement item provided will be (at our discretion) one of the following: new; remanufactured or refurbished. All replacements will come with a 12 month manufacturer's or supplier's guarantee for parts and labour. **All replacements will be of the same or similar make and technical specification as your original Covered Device. We cannot guarantee that a replacement will be the same make, model or colour as your original Covered Device.**"*

I think this makes it clear a replacement model offered will be the same or *similar* (my emphasis) specification as the TV covered. Given TV models are regularly updated or replaced (often annually) then it's likely any replacement model won't have exactly the same features and specification.

I've then looked at the respective specifications of the original TV and the replacement model offered by DG, including the comparisons provided by Mr S and by DG. Having done so, in my view, the replacement model offered by DG is of a similar make (the same manufacturer) and specification (looking at the features of both). So, I've concluded DG acted fairly and reasonably in offering a replacement model in line with the above policy terms and conditions.

As DG have now offered a cash settlement, the original complaint issue about them not offering a voucher or cash settlement becomes moot. However, I've noted the policy term referred to by DG in their final response is as follows:

"a. Replacements for Viewing Devices:

If we cannot source a replacement of similar make and specification (as it is no longer available) we may offer you an upgrade (if this is offered), we will provide you with a voucher instead. The voucher will be for the full retail price (from a retailer chosen by us) of a replacement item of the same or similar make and

*technical specification. The voucher will also pay for delivery. All vouchers will be valid for 12 months from the date of issue. The voucher will be sent either by SMS to your phone or to the last postal address you gave us. **If vouchers are not available we will provide a cash equivalent.***

As I think DG have offered a replacement model of similar make and specification, then the above policy term means they wouldn't have been obliged to offer either a voucher or cash settlement. So, their original decision and position was fair and reasonable. I've covered this issue as it's relevant to my deciding whether, overall, DG have acted fairly and reasonably.

Having reached these conclusions, I've then considered whether DG have acted fairly and reasonably in offering a cash settlement based on the retail price of the replacement model they've offered. DG have showed an extract of the model on a major retailer website, indicating a retail price of £649. I've searched for the model and confirmed this is a reasonable price – there are other retailers offering it for less. So, I've concluded DG have acted fairly and reasonably.

Assuming they haven't paid the sum, I think DG should settle Mr S's claim by payment of the cash settlement they've offered (£649).

And because they've offered a cash settlement based on the retail price, that's the price Mr S can expect to pay (or less) for the TV. So, I don't agree with Mr S's request that DG add the previously waived upgrade fee (£400) to the cash settlement offer.

I've also considered the other points made by Mr S. First, that not having access to his TV meant he wasn't able to view content. However, I've noted Mr S's comment that he has a TV in each room of his property. While I recognise the impact of his disability and why he has a TV in each room, I can't see that the absence of the TV covered by his policy means he's unable to watch TV or access content. And as I've concluded DG have acted fairly in their original offer of a replacement model (and their subsequent offer of a cash settlement) then I don't think this issue affects my conclusions.

Given my conclusion that, overall, DG have acted fairly and reasonably towards Mr S, then I don't think I can reasonably require them to pay compensation to Mr S.

My final decision

For the reasons set out above, my final decision is that I require Domestic & General Insurance Plc to:

- Settle Mr S's claim by payment of the cash settlement they've offered (£649).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 November 2023.

Paul King
Ombudsman