

## **The complaint**

Mr M complains about how Domestic & General Insurance Plc (DGI) handled and settled a claim he made for a kitchen appliance.

## **What happened**

On 24 May 2020, Mr M took out a breakdown protection policy with DGI on his gas hob and electric cooker. He told DGI his oven was approximately six years old at the time the policy was inception. His policy with DGI covered appliances for breakdown and accidental damage.

On 27 August 2020 Mr M contacted DGI in order to report a fault with his oven. He said the appliance kept tripping the electrics and he wanted DGI to repair it.

DGI arranged for its engineer (S) to attend Mr M's property to inspect the appliance. After inspecting the oven, S advised DGI that it hadn't been correctly installed as it had been connected to the mains by a plug. It said it should have been hardwired to Mr M's electric supply, which was required in order to comply with electrical safety standards. S also stated it had found evidence of rodent activity inside the oven. It further said there was no data sticker on the appliance to confirm the model and serial number. And it found damage to the large oven door, which had been caused by Mr M moving the appliance.

S declined to repair Mr M's appliance due to unsafe installation. And DGI rejected Mr M's claim based on the absence of a data sticker, unsafe installation issues and rodent damage. This was communicated in writing with Mr M.

On 3 September 2020 Mr M contacted DGI to complain about its decision to repudiate his claim. He disputed that the appliance was unsafe as he said it had been connected to the mains by a plug for around nine years. But DGI informed him that, in the absence of a data sticker, it wasn't able to repair his appliance. And it said it was a legal requirement for ovens to be hardwired to the electric supply. It therefore closed his complaint.

Later in September 2020, Mr M contacted DGI again. He was advised that if he had the cooker correctly installed DGI would consider repairing it. And he was then told that, if he got an independent repair agent to repair his appliance, it would reimburse him the cost of repairs up to the value of £250.

Later that month Mr M contacted DGI again to raise another complaint. He said he hadn't been able to find anyone to repair his oven. But DGI informed him that it wouldn't cover a repair in any event due to the rodent evidence S had found and the appliance not having a data sticker.

In its final response to Mr M's complaint DGI acknowledged he'd been incorrectly advised that if he was to resolve and pay for repairs it would reimburse him the cost up to the value of £250. It said, as it had rejected Mr M's claim, it shouldn't have instructed him to arrange any repair as this wasn't something it would have reimbursed under the policy. DGI therefore upheld Mr M's complaint. It cancelled his insurance policy and refunded him £23.76 – this

being the payments he'd made since the policy had commenced and 8% interest. It also paid Mr M £10 compensation to acknowledge the incorrect advice he'd received.

Being dissatisfied with how D&G proposed to resolve his complaint, Mr M referred it to our service. Our investigator empathised with him and recommended upholding his complaint. He thought DGI had acted correctly in cancelling Mr M's insurance policy and refunding the premiums he'd paid with interest added. But he wasn't persuaded that £10 was sufficient to compensate Mr M for the incorrect advice he'd been given on two occasions. He thought DGI should increase that amount by £100 to reflect the trouble and upset Mr M had been caused.

DGI accepted the recommendation our service had proposed as a resolution of this complaint. But it wasn't clear whether Mr M had understood and accepted our investigator's view of his complaint. So, I've been asked to make a final decision.

### **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.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here, I must base my decision on the balance of probabilities. I've read and considered all the information provided by Mr M and DGI, but I'll concentrate my decision on what I think is relevant to decide the complaint. If I don't comment on any specific point it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

My role is to assess whether I think DGI made a mistake, or treated Mr M unfairly, in how it decided to resolve his claim. And, having thought carefully about everything he and DGI have said, I've reached the same conclusions as our investigator. I'll explain why.

I'll start by explaining why I'm satisfied DGI acted fairly in refusing to settle Mr M's claim under his policy.

DGI cited three main reasons for its decision to repudiate this claim. It said the appliance was unsafe due to the manner in which it had been installed, there was evidence of rodent damage and the absence of a data sticker meant it wasn't able to confirm the age and model of the oven.

Mr M said, when he purchased his oven, he bought it from a large high street retailer. And he said it had been delivered without a data sticker. But I think it's unlikely that the sticker was absent. I say this because appliances are usually sold with the relevant sticker attached and there'd be no reason for that not to have been the case here.

Like our investigator, I think DGI would have refused to insure the appliance if it had been aware that the data sticker was missing. Without the sticker, DGI wouldn't have known what model Mr M was looking to insure, it wouldn't have been able to assess its age. And it wouldn't be able to order spare parts that might have been needed to repair it. This all would have led to it not offering insurance to Mr M.

I'm satisfied that the absence of the data sticker was a valid reason for DGI to cancel Mr M's policy. But I think this should have been explained in clearer terms to Mr M to help him understand the significance of this sticker insofar as it was relevant to his policy.

Mr M disputes the presence of rodent damage. But I don't think this affects the outcome of this complaint given that DGI are unlikely to have insured this appliance from the outset. I'm persuaded it wouldn't have settled his claim even if there'd been no mention of rodent damage. And the same argument applies in respect of the unsafe installation concerns DGI made Mr M aware of.

As I'm not satisfied DGI would have offered insurance to Mr M if it had known all the material facts I think it was reasonable for it to cancel his policy. I can see DGI repaid Mr M the premiums he paid from the inception of his policy in addition to 8% interest. I'm satisfied this was fair and reasonable.

Having considered whether DGI cancelled this policy at the earliest opportunity, I think it gave Mr M false expectation that it would continue to cover his appliance for a repair after it was known that his oven had a missing data sticker. Based on the evidence I've seen, he was informed on at least two occasions that it would reimburse him the cost of a repair if he arranged this himself. This was plainly wrong and DGI accepts it made an error here.

I think DGI's mistake unfairly impacted on Mr M. I've seen evidence of the efforts he went to in order to try and arrange a repair – thinking this would be covered. His health was impacted. And I can see the length of time he spent communication with DGI in discussing his claim. This was unnecessary as, by this point, he should have been informed that there was no valid claim that DGI would consider.

DGI compensated Mr M £10 for the trouble and upset its incorrect advice had caused. I can see our investigator has recommended that DGI pay a further £100 compensation, which it's agreed to pay. But it appears Mr M doesn't think this adequately reflects his inconvenience and experience. I've therefore assessed what compensation DGI should pay and I'll explain what I think is the fairest way of resolving this complaint below.

### **Putting things right**

I've carefully considered the overall circumstances of this complaint and the additional information Mr M provided to our service about how his health was impacted. Having done so, I'm satisfied a further £100 fairly reflects the trouble and upset Mr M would have been caused by what happened here. It's what I'd have asked DGI to pay had no award been recommended by our investigator. And it's in line with awards made by this service in comparable circumstances. So, I won't be asking DGI to pay any more.

I realise Mr M will be disappointed with my decision and I appreciate the reasons why he brought this complaint to our service. But for the reasons set out above, I don't think it would be fair to expect DGI to replace Mr M's oven.

In order to resolve this complaint, DGI should pay Mr M £100 compensation to reflect the fact that it could have managed his expectations better during his claim. I understand DGI has already made that payment to Mr M. So, I'm not going to ask it to do anything further.

### **My final decision**

My final decision is that I uphold this complaint. As Domestic & General Insurance Plc has already paid Mr M £100 compensation, which our investigator recommended to resolve this complaint, I don't require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 April 2021.

Julie Robertson  
**Ombudsman**