

The complaint

Ms D is unhappy with the service she received from Domestic & General Insurance PLC (D&G) after she made a mobile phone insurance claim; in particular it provided her with an invalid voucher in settlement of the claim.

What happened

Ms D has an insurance policy with D&G which provides cover for her son's mobile phone.

On 14 April 2021 Ms D says her son experienced problems with his mobile phone and so she reported it to D&G. Ms D says she sent the phone in to be repaired. When it was returned at the end of April Ms D says the phone was not working. And so she sent the phone in again. Ms D says the phone was sent back and was still not working. D&G were unable to carry out the repairs to the phone since the 'find my phone' feature on the phone was enabled. It explained to Ms D that it needed to be disabled in order to repair the phone but Ms D was not able to do this. Ms D says by then her son had been without his phone for almost two months.

Ms D says she made a number of calls to the insurer and eventually it told her it would send her a voucher for the value of the handset so she could purchase a new one.

D&G emailed Ms D a voucher for £399 on 6 July 2021. Ms D says when she tried to use the voucher in the shop on the following day she was told the voucher had expired and so she was unable to use it. Ms D says she contacted D&G and it re-sent the voucher on 7 July. Ms D says she went into the store again to use the voucher but it still didn't work. So D&G sent the voucher a third time on 8 July.

When Ms D went to use the voucher in store on the same day she says she was told the voucher had been redeemed. Ms D says her son had been without his phone since April and so she purchased him one herself following the voucher not working a third time.

Ms D contacted D&G the following day to tell them the voucher hadn't worked again. D&G said the voucher sent to Ms D was redeemed in full on 6 July and the item purchased was collected instore within the hour. And so it wouldn't send Ms D another voucher.

Ms D insists she didn't use the voucher since every time she went in store to try to use it she was told it had expired or was invalid. And so she complained to D&G.

D&G said it accepts Ms D was inconvenienced by having to go to the shop to try to redeem the voucher on at least three occasions and make numerous calls in order to try to resolve the issue with the phone and then again with the voucher.

But D&G did not uphold the complaint. It said the voucher sent to Ms D was redeemed on 6 July 2021 in full and the item was collected within an hour of the order. D&G also said it sent the voucher to the correct email address and thereafter it is Ms D's responsibility to ensure her emails are kept secure and not accessed by anyone else.

Our investigator upheld Ms D's complaint. She said she didn't think the voucher sent to Ms D was valid when it was sent, and she didn't think there was any evidence to suggest Ms D was connected to the person who redeemed the voucher. She also said D&G failed to follow its own policy by failing to send the voucher in the post as the policy states. The investigator recommended D&G pay Ms D £399, refund any interest she has paid as a result of having to purchase the phone herself, and pay £100 compensation for the stress and inconvenience caused.

D&G weren't happy with the view. It said once Ms D was in possession of the voucher it was her responsibility to ensure it was kept securely and it couldn't be held responsible for what happened once it had sent the voucher to the customer. So the complaint has been passed to me.

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 am upholding Ms D's complaint and for largely the same reasons as the investigator.

When the facts of a case are in dispute, as they are here, I have to apply the balance of probabilities. In other words, I will decide what is most likely to have happened based on the evidence before me.

The voucher

D&G say once the voucher is sent to the customer's email address what happens to it thereafter is out of its control. It believes the only explanation is someone with access to Ms D's emails intercepted the voucher. Because the voucher reached its correct destination it says it can't be held liable

But from what I've seen I think it's likely there was an issue with the voucher when it was sent to Ms D the first time on 6 July 2021.

Ms D went into the store to try and redeem the voucher on at least three occasions. Each time she was told there was a problem with the voucher and so she couldn't use it to make the purchase. When she reported the issue with the voucher the first time D&G made no enquiries with the store as to the voucher. It simply forwarded the same voucher to Ms D a second time, and then a third.

I note the policy terms specify the voucher would be sent to the last postal address and I appreciate that due to the restrictions caused by the Covid-19 D&G needed to vary its process. But I don't think Ms D should be disadvantaged as a result. From what I have seen I'm persuaded Ms D was unable to use the voucher and has lost out as a consequence.

I would have expected D&G to investigate the issue with the voucher the first time it was reported. And if not the first then by the second time. But it didn't do this. So I haven't seen anything that convinces me the voucher was valid when it was first sent to Ms D.

Online purchase using the voucher

The voucher was used online for the whole amount of £399 on 6 July 2021. From what I have seen the item was collected from a store that wasn't the one used by Ms D on the

occasions she tried to use the voucher. The name, address, and email address also doesn't match Ms D.

Based on my review I don't see anything that connects Ms D with the person who used the voucher.

I also note that each time Ms D tried to use the vouchers she did so in store. And the voucher was redeemed online. So I don't think it's reasonable to hold her responsible for the voucher being redeemed.

I acknowledge Ms D's comments that she feels the level of payment for the distress and inconvenience is not sufficient however I am satisfied it is fair and reasonable in the circumstances of this complaint.

My final decision

For the reasons I've explained, I uphold Ms D's complaint and direct Domestic & General Insurance PLC to:

- Pay Ms D £399 to reflect the value of the phone
- Add interest to the above amount at a rate of 8% simple per year from the date Ms D paid for the replacement phone until the date it makes payment*
- Pay an additional £100 to Ms D for the distress and inconvenience

*If D&G considers its required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms D how much it's taken off. It should also give Ms D a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 6 May 2022.

Kiran Clair
Ombudsman