

## The complaint

Mr I complains about Domestic and General Insurance PLC (D&G) who declined his claim under his gadget insurance policy.

## What happened

Mr I held a gadget insurance policy with D&G, that allowed him to add and remove products he wished to be covered. On 11 April 2022, Mr I added a laptop to his policy. Around two weeks later, he removed a TV from the policy. Mr I said that he was told by the advisor that new policy documents and a new payment date would happen due to the changes.

Later that day Mr I contacted D&G to make a claim for his laptop, as he said that it had become damaged. The claim was accepted by D&G and sometime later, he was informed by them that the laptop was beyond economic repair. D&G gave Mr I options to replace the laptop but also referred his claim for further investigation.

During the course of the investigation, D&G found that the boot log data retrieved from the laptop, showed that it had last been used in November 2021. D&G decided that this showed that the laptop hadn't been working when Mr I took out the policy. So, it declined his claim.

Mr I complained to D&G but in its final response, it maintained its position and gave Mr I his referral rights. It did however apologise for some poor customer service issues. Mr I referred his complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. He said the reason why he upheld the complaint was because D&G failed to provide any evidence that the laptop wasn't working, when Mr I took out the policy, which was on 11 April 2022. He also said that there had been confusion as to the date when Mr I took out the cover, as D&G said that the cover was taken out on the same day that he made the claim and not around two weeks earlier on 11 April 2022. And that D&G relied on the policy terms that the laptop had to be in good working order when the policy was taken out as the reason for the declination. He also said that D&G inconvenienced Mr I during the claims process and for the poor service, he recommended that £100 compensation was paid to him, for the trouble and upset caused.

Further, he explained that D&G asked our service to pay attention to the fact that Mr I specifically asked, at the point of sale, if proof of purchase was required in the event of a claim. D&G said that it found this unusual. It also said that it found other inconsistencies in Mr I's account about the reason he needed the laptop replaced. And it was because of those inconsistencies why the claim was declined. But our investigator's view was that the term under which D&G declined Mr I's claim wasn't under the fraud term, so he was satisfied to uphold the complaint and recommended that D&G review the claim again, in line with the rest of the policy terms.

Mr I accepted the view, D&G did not. It said that there were inconsistencies in the account from Mr I and because of those inconsistencies, such as Mr I not using the laptop for five

months before the claim was made, this was proof that the laptop wasn't working at the point when Mr I took out the policy. As well as the reason Mr I gave as to why he needed the laptop replaced. And the fact that Mr I specifically asked whether proof of purchase was required in the event of a claim were unusual. So, it asked for a decision from an 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.

Having done so, I will uphold this complaint. But for much the same reason as our investigator, and I hope my findings go some way in explaining why I've reached this decision.

I have carefully considered both parties comments and the evidence they have presented. I have also reviewed the policy terms and conditions and the final response from D&G.

My role is to consider the evidence to see if D&G applied the policy terms fairly when it dealt with Mr I's claim.

D&G said that it declined Mr I's claim, on the basis of two terms within the policy. That is: *'(the gadget must be) working in accordance with the manufacturer's specification when you apply for the Policy; And 'any loss, damage or failure occurring before the start of the Policy (wouldn't be covered)'*. So, D&G declined the claim on the basis that Mr I's laptop wasn't working at the time that the policy was taken out, and that it mustn't have been working before the policy started. I note there was no mention or formal reliance of any other terms or conditions by D&G to decline Mr I's claim.

I have looked at the evidence that D&G relied upon before it reached its decision. Mr I put a claim in for the damaged laptop on the same day that he removed another product from the policy. But it appeared that D&G came to the conclusion that the cover for the laptop started on 22 April 2022 (when he removed the other product from cover). Rather than 11 April 2022, when Mr I applied for the laptop to be covered under the policy. This error wasn't clarified by D&G, instead it issued Mr I with a link to choose a replacement laptop.

I think permitting Mr I to choose a replacement laptop, gave him the expectation that his laptop would be replaced and his claim accepted. And it was only after this, that D&G began to investigate the claim further. It asked Mr I to provide proof of purchase. He explained that he was unable to do so and clarified that he had specifically asked if proof of purchase would be required, if he made a claim, when he took out cover. D&G felt that this was unusual. So, it asked its technicians to interrogate the laptop to provide a data log. I think it would have been reasonable for D&G to investigate the claim fully before sending Mr I the link to choose a replacement, had it had concerns about the legitimacy of the claim.

From that log, information was cleaned that showed that the laptop was used a handful of times and the last time that it had been used by Mr I was in November 2021, five months before the claim was made. It appears that these pieces of evidence led D&G to believe that the laptop was faulty at the time when Mr I put the laptop on cover.

But I don't think D&G has provided enough evidence to show that at the time the laptop was put on cover, it was actually faulty. The fact that Mr I didn't use the laptop five months before

the claim isn't the same as proving that it wasn't working at the time that it was placed on cover.

In addition, having read D&G's final response to Mr I, the reason it gave for declining his claim, was due to its engineer having interrogated the laptop and found that it hadn't been used for the five months before the claim was made. No other reason was given by D&G as the reason for the declination.

D&G asked me to consider that at the point of sale, Mr I asked a question specifically regarding whether there was a requirement for receipts, in the event of a claim being made. Also, as Mr I told D&G (during the course of the further investigations) that he needed the laptop for a family member who had exams. D&G made the point that in order to prepare for the exams, the laptop would've been used more frequently than it actually was. And because of these points, it felt that this was unusual.

Nonetheless, D&G only declined the claim on the basis of there being no usage of the laptop in the five months before the claim. And this indicated that the laptop was faulty at the point it was put on cover, rather than any other reason.

I'm not satisfied that D&G raised its concerns formally with Mr I regarding the inconsistencies in his statements. And I think it was unfair for it to rely on those inconsistencies as the reason it declined the claim, especially as it had relied upon different policy exclusions as the actual reasons why it declined Mr I's claim. So, I don't think D&G applied the policy rejection clause fairly.

In the circumstances, I think it would be fair and reasonable for D&G to reconsider the claim in line with the remaining policy terms and conditions. And only if it wishes, it can reimburse Mr I the cost of the replacement laptop that he purchased, following the rejection of the claim. The proof of purchase I understand D&G has received.

Finally, I've considered whether Mr I suffered from any poor service during the course of the claim. D&G accepted that there were a few errors during the claim. I think these errors include, Mr I being told at the point of sale, that it wouldn't be necessary for proof of purchase of the laptop, not receiving call backs when promised, Mr I having to chase for updates, confusion in the date when D&G said the cover was taken out and the claim was made, and giving false expectations that the claim would be accepted. For those errors, I think it's fair and reasonable that D&G pay compensation for the minimal impact caused to Mr I. The compensation for the trouble and upset caused, I recommend is £100.

## **Putting things right**

Taking all of this into consideration and to put matters right, I direct D&G as below.

## **My final decision**

For the reasons given, I will uphold this complaint.

Domestic and General Insurance PLC to reconsider Mr I's claim in line with the remaining policy terms and conditions.

If Domestic and General Insurance PLC do not wish to reconsider Mr I's claim in line with the remaining policy terms and conditions, then it should reimburse Mr I's cost of the replacement laptop.

Domestic and General Insurance PLC must pay Mr I £100 compensation for the trouble and upset caused.

Domestic and General Insurance PLC must pay the compensation within 28 days of the date on which we tell it Mr I accepts my final decision. If it pays later than this it must also pay interest from the date of my final decision to the date of payment, at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 31 October 2022.

Ayisha Savage  
**Ombudsman**