

## **The complaint**

Miss R has complained that Domestic & General Insurance plc (D&G) unfairly refused to meet the costs to replace a damaged housing unit following fire damage after repairs were done to her oven under her warranty policy.

## **What happened**

Miss R owned a warranty policy with D&G. The product is designed to provide cover for breakdown and accidental damage to an appliance - in this case Miss R's oven - after the manufacturer guarantee period has ended.

Miss R reported a breakdown fault with her oven to D&G in February, April and June 2022.

Arrangements were made in early July 2022 for an engineer to repair Miss R's oven. Miss R was unavailable on 15 July 2022 due to having surgery and so an alternative date was arranged for 25 July 2022.

Miss R provided video footage to show that as soon as she tried to use her oven following the repairs on 25 July 2022, there was smoke coming from it. Miss R provided video footage and photos to show the oven with smoke coming from it and burn damage to the oven housing unit.

D&G agreed to arrange for Miss R's oven to be replaced by the end of July 2022. And it paid Miss R £100 compensation which it said was a goodwill gesture. But it didn't agree to meet the costs to repair the housing unit. It said this was outside of the cover under the policy.

Our Investigator thought D&G should meet the costs to repair the housing unit as Miss R was unable to use the replacement oven she received at the end of July 2022. He found that despite a number of attempted repairs, there seemed to be an underlying issue not picked up by the engineer(s) which led to the fire damage and he didn't think it fair for Miss R to meet these costs.

The Investigator thought D&G should pay Miss R an additional £150 compensation for the distress and inconvenience caused.

The Investigator thought D&G should have allowed Miss R to choose a different make and model for replacement. D&G clarified that Miss R did choose the replacement oven - which on checking with Miss R, she agreed.

Miss R accepted the Investigator's view. D&G didn't agree. In summary it says it acted over and above the terms of the policy. It says it is for Miss R to make a claim under her home insurance policy for the damage to the housing unit caused by a faulty appliance - as the policy excludes covering damage in these circumstances.

So D&G wants an ombudsman to decide.

## **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.

D&G says that the damage the housing unit wasn't caused by an engineer, but by the oven being faulty, which isn't covered under the policy.

D&G's Insurance Product Information Document provides a summary of what is and isn't insured under the policy. It says it doesn't insure the following:

*"costs arising from not being able to use your product or damage to other property*

*Loss, cosmetic damage, neglect or deliberate damage*

*Costs for replacing any accessories, installation and disposal."*

D&G's key policy wording for the circumstances of Miss R's claim says:

*"Remember, your policy covers you for breakdowns and accidental damage, and if we're unable to fix your oven then we will replace it for you."*

And;

*"Disposal, delivery, installation and other costs*

*1: We will pay the delivery charges for any replacement arranged under this policy.*

*2: If your appliance is replaced, you will need to arrange the disposal of the replaced appliance. We will dispose of the replaced appliance if it is in our possession.*

*3: In all cases you will be responsible for installing the new appliance and paying any related costs*

*What happens if your appliance is replaced?*

*If we arrange to replace your appliance (or to pay a settlement towards a replacement), your policy will end immediately. No fee paid will be refunded."*

And:

*Exclusions*

*Costs or loss arising from not being able to use your appliance (e.g. hiring a replacement), or incidental costs caused by a breakdown or repair (e.g. costs to remove or reinstate built-in or fitted equipment*

*Damage to any other property or possessions, unless it is our fault"*

D&G says that there tends to be two types of damage: damage caused by an engineer for example knocking something over or damaging flooring while carrying out repairs. The examples would be covered under the policy.

However, D&G says that the second type of damage would be related to the appliance being faulty: as in this case, the oven caused smoke damage. D&G says this type of damage isn't covered under the policy as it wasn't caused by the engineer. As the damage was allegedly caused by smoke coming from the oven, this isn't the engineer's fault and is clearly excluded under the terms of the policy.

While I agree that the terms of the policy exclude damage to parts of the home that house an appliance that requires replacement, the fact remains that the appliance had repairs previously carried out which didn't repair it. On the final set of repairs, smoke damage was caused to Miss R's home when trying to use the oven immediately after repairs. D&G - by agreeing to replace the oven - accept that it wasn't repairable. It doesn't seem fair for Miss R to have to meet the costs in this case for repairs to the housing unit in order to have a replacement oven fitted.

So I think D&G's handling of the claim could have been better. Miss R explained that being unable to use her oven because of a damaged housing unit has caused her and her family

significant distress and inconvenience. I've kept in mind the fact that D&G has already paid Miss R £100 compensation. But I think a fair compensation award in addition to meeting the costs to repair the housing unit is £150.

### **My final decision**

My final decision is that I uphold this complaint. I require Domestic & General Insurance plc to do the following:

- Ensure Miss R's housing unit for a replacement oven is either repaired or replaced from smoke damage.
- Pay Miss R £150 compensation in addition to what it's already paid for the distress and inconvenience caused.

Domestic & General Insurance plc must pay the compensation within 28 days of the date on which we tell it Miss R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 17 January 2023.

Geraldine Newbold  
**Ombudsman**