

## **The complaint**

Mr J and Miss J complain about Domestic & General Insurance Plc (DGI) and the upgrade fee they've had to pay to replace their gas hob with a suitable alternative.

For ease of reference, I will refer to the comments made, and actions taken, by both Mr J and Miss J as "Miss J" throughout the decision.

## **What happened**

Miss J held an insurance policy underwritten by DGI that covered her gas hob. Unfortunately, Miss J's hob became faulty and DGI wrote off the appliance in November 2020.

Miss J remained in contact with DGI about arranging a suitable replacement, and this was eventually organised in late 2022. But Miss J was unhappy about this, so she raised a complaint.

Miss J was unhappy with the replacements DGI offered her, and she didn't think these alternatives were suitable replacements of a similar make and specification. Because of this, Miss J felt she had no choice but to pay a £210 upgrade fee to ensure the replacement was adequate. So, she wanted this fee to be refunded to her.

DGI responded to the complaint and didn't uphold it. They thought a suitable replacement of similar specifications was offered to Miss J. And as Miss J didn't want to accept this replacement, they thought they were fair to charge Miss J an upgrade fee. So, they didn't think they needed to do anything more. Miss J remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They noted DGI were unable to evidence the replacements offered to Miss J at the time, as they were offered from a live system. So, our investigator looked at live examples themselves, using a retailer DGI confirmed they use. And from this, they found the cheapest gas hob to be available at £89, with the hob Miss J purchased being available for £299, explaining the £210 upgrade fee she paid. But our investigator noted the cheapest hob didn't have cast iron pan supports, which Miss J's original hob did have.

Our investigator found the cheapest hob with cast iron supports cost £129 on the live system and so, with no further evidence available, our investigator thought DGI should've paid £129 towards the hob Miss J chose, rather than the £89 he assumed had been paid. So, based on this, our investigator thought DGI should pay Miss J £40, plus statutory interest from the time she paid the upgrade fee, to recognise the financial loss he felt Miss J had been caused.

Miss J accepted this recommendation. But DGI didn't. They didn't think it was fair to use the prices shown when our investigator viewed the live system of the retailer, as there would've been a variance from November 2020 when the hob was first written off due to wider market conditions and inflation of goods. They maintained their position that a reasonable replacement had been offered and so, they didn't think they needed to do anything more. As

DGI didn't agree, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it would be useful to explain exactly what I've considered, and how.

I recognise there have been significant delays in the ordering of a replacement, from the date it was written off. This isn't something I've considered further, as this isn't the basis of Miss J's complaint. Miss J's complaint focuses solely on the replacement she ordered, and the upgrade fee she has had to pay.

And to consider this, I recognise both DGI and Miss J have been unable to provide our service with evidence that shows exactly what replacement was offered before Miss J chose to pay an upgrade fee. In situations such as these, I need to consider what I think is most likely to have happened, based on the balance of probability considering the information I do have available.

I've seen the terms of the policy Miss J held at the time her original hob was written off. These explain that, where DGI choose to replace a hob rather than repair it, they will *"arrange to replace your appliance with one of a same or similar make and technical specification"*.

In this situation, it's accepted Miss J's hob had cast iron pan supports. And it's accepted these supports form part of the gas hob itself. So, I don't think it's unreasonable for Miss J to expect any replacement she's offered to have cast iron supports, as I think it's reasonable to include these supports as part of the specification. I appreciate DGI have suggested this isn't the case, but I don't think it's fair for DGI to expect a customer to accept a hob without cast iron supports when their original contained these.

As I've explained above, DGI are unable to show the replacement options they put forward to Miss J. So, I don't think I can be sure these options did include cast iron supports. Nor can I be sure exactly what the cost of these replacements would be.

But I note our investigator, at the time of forming their view, went onto an online retailer website DGI confirm they use to look at gas hob prices. And I note the cheapest gas hob available, without cast iron supports, was available to purchase for £89.

This is directly £210 cheaper than the gas hob Miss J chose to purchase, which did have cast iron supports. So, I think it's reasonable to assume, on the balance of probabilities and without any additional evidence, that Miss J's upgrade fee was calculated on the extra amount to pay on top of this £89 option.

And I note that the cheapest hob available, with cast iron supports, at the time our investigator searched was available to purchase at £129. So, £40 more expensive than the hob alternative without the cast iron supports.

Based on this information, I think it's most likely that the replacement option put forward to Miss J was a hob without cast iron supports, as the upgrade fee she paid to purchase her choice of hob relates directly to the cheapest option available.

And I don't think DGI acted fairly when putting this option to Miss J, as I think they were obliged to provide Miss J with a replacement of a similar make and specification, which I think means a hob with cast iron supports.

I appreciate DGI don't agree with this, and I've considered their point about wider market conditions and inflation at length. While I recognise the hob was written off in 2020, Miss J didn't order her replacement hob, and pay the upgrade fee, until December 2022. This is around two months before our investigator found their own live prices. I don't think it's likely that prices would have changed significantly during that time and so, I don't think it's unfair for us to rely on the prices we've found.

And even if I didn't think this was fair, for DGI to rely upon the fairness of the options they provided to Miss J, I'd expect them to be able to evidence what options these were. I think the onus remains on DGI to satisfy me, and our service, that they did act fairly and within the terms of the policy they provide. And they've been unable to do so on this occasion.

As I think DGI acted unfairly, I've then thought about what I think DGI should do to put things right.

### **Putting things right**

Any award or direction I make is intended to place Miss J back in the position she would've been in, had DGI acted fairly in the first instance. It is not intended to put Miss J in a position of betterment, as any decision I make must remain fair to both parties.

In this situation, had DGI acted fairly, I think they would've offered Miss J a replacement that included cast iron supports. And from the evidence available to me and our service, I think it's likely this replacement would've cost £129.

From what I've been able to consider, I think it's most likely that the option put to Miss J was a cheaper alternative, costing £89, which explains the £210 upgrade fee she paid for the hob she eventually chose, costing £299.

So, had DGI acted fairly, I think they would've covered the first £129 of this £299 replacement Miss J chose. And so, I think Miss J's upgrade fee would've been £170, rather than £210. So, to place Miss J back in the position she would've been in, I think DGI should refund Miss J £40, to cover this difference. And I think DGI should apply 8% statutory interest to this amount, from the date she paid the upgrade fee to the date of refund, to acknowledge the length of time she's been without access to these funds.

I note DGI have also agreed to reimburse Miss J the installation costs incurred to install the replacement. Miss J should provide DGI with any invoices and receipts regarding this for them to consider.

### **My final decision**

For the reasons outlined above, I uphold Mr J and Miss J's complaint about Domestic & General Insurance Plc and I direct them to take the following action:

- Refund Mr J and Miss J £40 of the £210 upgrade fee they paid; and

- Apply 8% statutory interest to this refund, from the date the upgrade fee was paid to the date of refund.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Miss J to accept or reject my decision before 14 March 2023.

Josh Haskey  
**Ombudsman**