

The complaint

Mr P complains that Domestic & General Insurance Plc (“D&G”) caused delays during a claim under his protection policy which left him without a working hob.

What happened

In early October 2022, Mr P made a claim under his protection policy with D&G for accidental damage to his hob. Ten days later, an engineer attended Mr P’s home to facilitate a repair but was unable to do so due to the incorrect parts being ordered. The hob was disabled as it didn’t comply with current safety standards.

Mr P raised a complaint. And in early November 2022, D&G upheld it; offering £141.75 as compensation for what went wrong. It said the correct parts would be available in mid-November.

A week later, when the parts hadn’t arrived, Mr P raised a further complaint. D&G then agreed to provide a replacement hob under the policy. It informed Mr P that he’d be responsible for the installation and disposal fees in line with the policy terms.

Mr P wasn’t happy with this, given the time he’d waited for his claim to be settled, so he raised a third complaint. D&G agreed to waive the fees and the replacement hob was delivered on 19 November 2022.

The complaint was brought to our Service as Mr P is unhappy with how his claim was handled. He was without a working hob for almost two months, which he says caused a significant impact for his family which consists of three young children. He says they were restricted with what they could cook in the oven – as foods like pasta, rice, fried egg, needs to be cooked on the hob. They had to rely on ready meals which caused an increase in their food bill.

Our Investigator upheld the complaint as she didn’t think the compensation offered reflected the inconvenience caused to Mr P and his family. She recommended a total of £300 to put things right.

Mr P agreed but D&G didn’t. It said:

- Mr P set up his plan on 3 September 2022, which has a 30 day wait period – meaning no claim arising prior to 3 October 2022 would be covered. When the claim was made on 13 October 2022, it had only been live for ten days. As the claim was so close to inception, it would’ve had every right to question whether the appliance was in working order when the plan was set up.
- When a replacement was agreed, Mr P requested a “plug-in” hob, but all hobs are now “hard wired” to meet current safety standards.
- The installation fees aren’t covered by the policy, but these have been waived as further compensation to Mr P.

- It wasn't aware that Mr P had the hob installed by a family member and it strongly recommends that the qualifications of this person are checked.

The complaint has been passed to me for 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.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires D&G to handle claims promptly and fairly, and to not unreasonably reject a claim.

The terms and conditions of Mr P's policy say:

*Accidental damage (during and after the manufacturer's guarantee)
Both during and after the end of the manufacturer's parts and labour guarantee period, if your product suffers accidental damage (so that the product is no longer in good working order), we will (at our option) authorise a repair, arrange a replacement or pay the cost of a replacement product.*

*Repairs
Where we authorise a repair we will pay call-out charges, the cost of labour and the cost of parts (as long as these are not covered by another guarantee or warranty on the product).*

*Replacements
In some situations we will arrange to replace your product instead of repairing it (for example where we cannot repair it or we decide that it is uneconomical for us to repair your product). In these circumstances, we will arrange to replace your product with one of a same or similar make and technical specification.*

*Disposal, delivery, installation and other costs
We will pay the delivery charges for any replacement arranged under this policy. If your product is replaced, you will need to arrange the disposal of the replaced product. We will dispose of the replaced product if it is in our possession. In all cases you will be responsible for installing the new product and paying any related costs.*

D&G accepted Mr P's claim and opted to repair the hob under the policy terms. But due to an error with the order, it didn't have the correct parts to do so. D&G offered £141.75 for their mistake and the delay to the claim which, at the time of the offer, had been approximately four weeks.

I think the offer, at that time, was fair. I say this because, despite the accidental damage to the hob, Mr P was initially able to continue using it whilst he waited for D&G to action his claim. It was only after the engineer's visit, when his hob was disabled, that he was left without a functional hob. So the offer was fairly reflective of the impact he would've suffered during those two weeks.

D&G then decided to settle the claim by replacement due to the correct parts still not being available. But it was a further 16 days approximately without a working hob until that happened. And I can't see that Mr P has been compensated for this additional delay.

D&G says Mr P has been compensated by the waiving of the installation fee. But I don't agree. The policy says Mr P would be responsible for installing the product and any associated costs. So this isn't a cost that Mr P would've paid to D&G, rather he would've had to pay the electrician he hired. As no fee was due to D&G directly, there wasn't anything for it to waive – unless it was going to offer to pay a electrician for Mr P, which I can't see that it has.

In any event, Mr P had a family member install the hob. I don't know what he paid – if anything – but ultimately D&G's offer had no benefit to Mr P so he hasn't been compensated. I acknowledge D&G's concerns about the qualifications of who installed the hob, but I fail to see the relevance to this complaint.

I appreciate D&G has implied that Mr P contributed towards this delay due to requesting a "plug in" hob, but I don't think this request was unreasonable given that the policy says a replacement will be the same or similar to the original. Whilst I appreciate D&G says "plug in" hobs no longer meet safety standards; Mr P wouldn't have known this when he made his request.

D&G has also raised concerns about the timing of Mr P's claim and how quickly it was made after the policy went live. Again, I'm not clear on the relevance of this remark. I say this because D&G would've assessed Mr P's claim when it was first submitted and if it had concerns about the validity of it, it had the opportunity to explore these with Mr P and decline the claim if there was a valid reason to do so.

Instead, D&G accepted the claim. As such, it is required to handle the claim fairly and promptly under ICOBS. And if something goes wrong, it should put things right. It cannot use the fact that it could've questioned the validity of the claim as justification of how it's handled a claim or as a reason not to pay compensation for a failing in its service.

Overall, based on the evidence provided, I agree with our Investigator that further compensation is warranted here. I've thought about the impact Mr P suffered from not having a working hob with a young family and increased food bills. Taking everything into account, I think a total payment of £300 – inclusive of the £141.75 already offered – for the distress and inconvenience is fair in the circumstances.

My final decision

For the reasons I've explained, I direct Domestic & General Insurance Plc to pay Mr P compensation of £300. If it has already paid the £141.75 previously offered, it may deduct this from the payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 June 2023.

Sheryl Sibley
Ombudsman