

The complaint

Mr J complains about Domestic & General Insurance Plc (“D&G”) regarding the appliance cover he took out. He wants the policy to be cancelled and his premiums returned to him.

What happened

Mr J bought a new dishwasher in November 2021. It was made by manufacturer S and bought through retailer A. The dishwasher had been priced at £999, but Mr J had identified a lower price elsewhere, so A price matched the dishwasher and sold it to Mr J at £699.

It was delivered to Mr J in mid-December 2021 and the product came with a 24-month manufacturer warranty.

Shortly after delivery, Mr J called A’s aftercare line to buy appliance cover. He spoke with an agent about the cover, which was provided by D&G. The agent advised him that if he took out the cover then his appliance would be covered for accidental damage and faults and mechanical damage ‘even after’ the manufacturer warranty expired. The agent explained that if a repair was not possible then Mr J would be entitled to a replacement appliance, up to the original retail price (£999).

Mr J took out the cover, at £6.99 per month. Payments then started in January 2022.

D&G sent policy documents to Mr J. In these, the exclusions on the policy were made clear. They detailed that the policy did not cover breakdown costs already covered by manufacturer, supplier or engineer guarantee or warranty.

In February 2022, Mr J’s dishwasher stopped working. He contacted D&G. D&G advised him that he needed to pursue the manufacturer or retailer as the product was still under manufacturer warranty. He contacted S, and the engineer who inspected the dishwasher indicated that the part needed to repair the dishwasher was not available.

Mr J was not happy with this. He felt that he had been misled during the sales process and he had expected to be able to claim a replacement dishwasher up to the price of £999 if his dishwasher could not be repaired.

D&G did not uphold his complaint. It pointed to the policy terms which had been sent to him and that these excluded breakdowns during the warranty period.

Mr J remained unhappy and contacted us.

Our investigator did not recommend that the complaint be upheld. They considered that the sale as a whole, including the policy documents, made clear the limitations of the policy cover. They did not ask D&G to do anything more.

Mr J did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in respect of this matter in July 2023. In that provisional decision I set out that I did think that the sale of the policy had been misleading and so I provisionally upheld Mr J's complaint. I considered, however, that he had not been caused significant distress and inconvenience by the mis-sale and so I provisionally awarded £50 compensation, and refund of the premiums paid.

That provisional decision has been shared with the parties and they have been invited to comment. D&G has responded, indicating that it accepts my provisional decision. Mr J has not responded.

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.

As no further evidence or arguments have been received in response to my provisional decision, I remain of the view previously set out. I therefore adopt that decision and reasoning as my final decision.

Putting things right

In order to put matters right, D&G must cancel the policy back to inception and refund to Mr J the premiums he paid. D&G must also pay to Mr J £50 compensation for his distress and inconvenience.

My final decision

For the reasons set out above, and in my provisional decision, I uphold Mr J's complaint and direct Domestic & General Insurance Plc to:

- Cancel Mr J's policy back to policy inception and refund to him the premiums he paid; and
- Pay to Mr J £50 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 September 2023.

Laura Garvin-Smith
Ombudsman