

## **The complaint**

Miss O complains about the service she received from Domestic & General Insurance Plc (DG) under a protection policy for her tumble dryer.

References to DG include their agents who administer policies and carry out services under policies.

## **What happened**

Miss O had a protection policy with DG covering breakdown and repairs to her tumble dryer. In March 2023 the tumble dryer door began opening mid-cycle and the dryer stopped. She called out an engineer who inspected the dryer and said the parts needed to repair the dryer were no longer available, so under the policy DG would offer a like-for-like replacement.

DG provided a link to a service through which Miss O ordered a replacement dryer. However, when the dryer arrived it was a different size and fitting to her old tumble dryer, and a different specification. She contacted DG and arranged for the dryer to be returned. She said she explained to DG the size and model of her old dryer several times and how important it was to have an appropriate replacement, given her family circumstances, including a vulnerable child.

She was provided with a new link to choose a replacement to meet her needs. She says she was told the link would only have models that – unlike her old dryer – didn't have a vented outlet, as this was no longer a feature of dryers available. Miss O was offered a model of the same size as her old dryer, although of a different make. DG say they waived a £265 upgrade fee, as a goodwill gesture, as they had to order a replacement from a different supplier (as Miss O didn't want a replacement from the same supplier).

The replacement arrived, with Miss O having to pay for installation (the policy didn't cover installation of integrated appliances – something Miss O says she wasn't aware of when she took out the policy). She used a local fitter to install the dryer, rather than pay the £90 installation fee the DG supplier would have charged.

However, Miss O found the dryer took much longer to dry clothes and when she received her electricity bill in the following months, found the cost had increased significantly. She contacted her electricity supplier to see why her bill had increased so significantly. They asked whether she had any new appliances that might be faulty. She told them about her new dryer, and they suggested she test it. She turned off every other appliance and ran the dryer for 15 minutes, during which time the cost shown on her smart electricity meter increased by £2. Her electricity company said this indicated a fault with the dryer. She called the dryer manufacturer, as the dryer was under warranty, who said the dryer was a 'blow heat pump;' model which wasn't ideal for use by a family as electricity consumption was three times that of a vented dryer – it wasn't faulty. The manufacturer suggested this should have been made clear to Miss O before it was ordered (which she didn't think had been the case). Miss O contacted DG to ask them to change the dryer. After speaking to several people, she was told they wouldn't, as she'd used it for six weeks.

Unhappy at what had happened, Miss O complained to DG. She said she'd been misled about the replacement dryer, hadn't been given appropriate information to make an informed choice and was left with a dryer she couldn't use because of the high electricity cost. She asked DG to cover the additional cost of electricity and to change the dryer.

DG didn't uphold her complaint. In their final response they said that listening to the call in which Miss O discussed a replacement dryer, Miss O said she didn't mind what kind of replacement dryer was provided as long as it didn't consume too much electricity. DG offered a model with a condenser (as opposed to vented) with a heat pump and A+ power consumption rating. DG said Miss O didn't object to the model being a different manufacturer. DG said they wouldn't replace the dryer because its electricity consumption was high as the appliance had been installed and used for six weeks.

Miss O then complained to this service, saying she'd been misled about the replacement dryer and couldn't use it because of the high running cost. She was paying for her policy to cover a dryer she couldn't use. She wanted DG to cover the increased running cost and replace the dryer with a more suitable model.

Our investigator upheld the complaint. He thought it reasonable for DG to replace Miss O's old dryer, as the parts weren't available to repair it. DG accepted there was an issue with the initial replacement being too big, but this was because the wrong model was delivered, which the investigator didn't think DG could be held responsible for. And it was reasonable for DG to arrange a further replacement.

On the replacement dryer, the investigator noted its energy rating (A+) was better than Miss O's old machine (C) and the type of dryer (condenser with heat pump) was the only one available as vented models were being phased out. The investigator noted DG's comment the replacement dryer being a heat pump model could take longer to dry clothes and costs could increase if used on a quicker drying cycle.

Based on these findings, the investigator thought DG couldn't have done anything differently to put Miss O in a better position, or that Miss O had lost out. So, he didn't ask DG to replace the dryer. The replacement also had a larger drum size, which was likely to increase costs. And the policy documents made it clear installation costs wouldn't be covered. But as the manufacturer indicated there could be an issue with the dryer, the investigator thought it reasonable for DG to arrange for the dryer to be inspected to confirm it was working correctly (and consider replacement if found not working correctly).

The investigator also thought DG should pay Miss O £100 compensation for the distress and inconvenience she'd suffered, from their refusing outright to replace the machine (or have it checked to see if it was working correctly).

DG disagreed with the investigator's view and requested an ombudsman review the complaint. They didn't think they should be responsible for arranging an inspection of the replacement dryer. Had Miss O reported an immediate fault or damage to the appliance when delivered, they would have assisted in liaising with the supplier. But Miss O hadn't reported an issue with the dryer until two months after it was delivered. DG didn't believe the indications were that there was a fault with the dryer, but if there was this would be an issue for the manufacturer (as the dryer would be under the manufacturer's guarantee).

The policy terms and conditions made it clear that faults under the manufacturer's guarantee weren't covered under the policy. So, if Miss O thought there was a fault with the dryer (excessive electricity consumption) she should contact the manufacturer directly to arrange a call out. This wasn't something DG would be responsible for (where an appliance was under the manufacturer's warranty/guarantee).

Given these points, DG didn't think they should pay Miss O compensation for distress and inconvenience.

### **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.

I'd first want to acknowledge what Miss O has told us about her circumstances and vulnerability of her child and the impact on her. I've borne this in mind when deciding, as is my role here, whether DG have acted fairly towards Miss O.

The key issue in Miss O's complaint is the increased electricity consumption (and cost) of her replacement dryer. She says this makes it unaffordable to operate, meaning she's paying to cover an appliance under her policy she can't use. DG say they aren't responsible for what may be a fault as this would be the responsibility of the manufacturer under the dryer's guarantee/warranty. Had Miss O reported an immediate fault or damage when the replacement dryer was delivered, they would have assisted her in liaising with the supplier (and/or manufacturer). But Miss O waited six weeks after using the dryer before raising her concerns, so she should contact the manufacturer.

While this is the key issue of the complaint, I've first considered the point about installation costs of the replacement. I've looked at the policy terms and conditions (which Miss O was provided with when she took out the policy) and they explicitly state these aren't covered where a replacement appliance is provided. Under a heading *Product disposal and delivery, installation and other costs* there's the following statement:

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

I think this makes it clear Miss O would have to pay for the replacement dryer to be installed.

Coming back to the main issue, I've looked carefully at the sequence of events set out above, including the respective views of Miss O and DG. The first replacement dryer having been the wrong size to fit into Miss O's property (it appears the wrong model was delivered) I think it was reasonable for DG to arrange for it to be returned and for her to choose a second replacement. While mistakes can happen, this would have led to delay in Miss O having a replacement dryer that did fit, which would have caused her inconvenience. I'll consider this alongside my other findings and conclusions.

On DG's point that Miss O didn't report the potential fault (the increased electricity consumption) when the dryer was first delivered, I'm not persuaded this is fair or reasonable in the circumstances of the case. While the dryer wasn't obviously damaged or failed to work when first operated, the issue Miss O has is with its electricity consumption in use (and the length of time she says it takes for clothes to be dried).

I think it's reasonable for Miss O not to become fully aware of the impact she's raised about electricity consumption until she received subsequent electricity bills, which she could then compare with the bills before the replacement dryer. While she may have been concerned at the drying time, the impact of that (and the operation of the dryer more generally) wouldn't have been fully apparent until the subsequent electricity bills arrived.

So, I'm not persuaded it's fair or reasonable for DG to say that Miss O not telling them about the issue of electricity consumption for six weeks means they shouldn't be held responsible for any issue (or liaising with the supplier or manufacturer to arrange an inspection).

Having reached this conclusion, I've thought about what DG should do to put things right. From the evidence I've seen, while Miss O says her electricity consumption has increased significantly, I've not seen anything that clearly shows there is a fault with the dryer. I've noted the points made by DG' about the replacement dryer being a heat pump model meaning it could take longer to dry clothes and costs could increase if used on a quicker drying cycle. These are points about how the dryer is used, not directly ones that indicate a fault with the dryer.

On Miss O's request for DG to reimburse her for increased electricity costs, DG say this is an indirect cost under the policy terms and conditions. They've referred to the following policy condition:

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

While this doesn't explicitly refer to costs (direct or indirect) arising from a replacement product, as the replacement was a result of the breakdown of Miss O's old dryer, I think it reasonable to interpret the condition to include costs of using a new product.

I've also noted DG's observation that all manufacturers in the UK have discontinued vented and condenser-style dryers, meaning customers only options are heat pump models. So, Miss O would have had to choose such a model (whether under the DG policy or had she simply purchased a new dryer had she not been covered by the policy).

But having made an internet search, there are vented tumble dryers advertised from major retailers as being available, albeit at lower energy efficiency ratings (C) than the A+ rating of the replacement dryer provided to Miss O (and with a depth dimension that, from what I've seen, wouldn't fit in Miss O's property. So, it may be the suppliers used by DG don't offer a vented model (and/or one that would fit).

However, given the policy condition above and what I will come onto about whether there is clearly a fault with the dryer, I don't think it's fair or reasonable to ask DG to cover any increased electricity costs that Miss O has referred to.

As the evidence I've seen doesn't clearly indicate a fault with the dryer, I don't think it's reasonable - at his stage - to ask DG to replace the dryer. But given my conclusions, I do think it's reasonable to ask DG to liaise with the supplier/manufacturer to arrange for an engineer to inspect the machine, to assess whether there is a fault with the dryer.

In coming to this conclusion, I've also had regard to what DG have said in their final response, that listening to the call in which Miss O discussed a replacement dryer, she said she didn't mind what kind of replacement dryer was provided as long as it didn't consume too much electricity. DG offered a model with a condenser (as opposed to vented) with a heat pump and A+ power consumption rating. So, I think DG should have been reasonably aware that electricity consumption was important to Miss O. And while they offered a model with a nominal better energy consumption rating, compared to her old dryer, the increased electricity consumption and cost would have been concerning for Miss O.

Having reached these conclusions, I've thought about the issue of compensation. DG say they don't think they should pay Miss O compensation for distress and inconvenience. But given my conclusions, I think Miss O has suffered distress and inconvenience from what's happened. In thinking about what would be reasonable, I've also considered what Miss O has told us about her circumstances.

Looking at the circumstances of the case as whole, I think £100 compensation would be fair and reasonable.

### **My final decision**

For the reasons set out above, it's my final decision to uphold Miss O's complaint. I require Domestic & General Insurance Plc to:

- Liaise with the supplier/manufacture to arrange for an engineer to inspect the machine, to assess whether there is a fault with the dryer.
- Pay Miss O £100 for distress and inconvenience.

Domestic & General Insurance Plc must pay the compensation within 28 days of the date on which we tell them Miss O accepts my final decision. If they pay later than this they must also pay interest on the compensation 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 Miss O to accept or reject my decision before 27 November 2023.

Paul King  
**Ombudsman**