

The complaint

Ms N has complained about the handling of her claim for her fridge freezer by Domestic & General Insurance Plc ('D&G') made under an extended warranty.

What happened

Ms N made a claim after experiencing difficulties with her fridge in March 2023. It was deemed to be beyond economic repair, and D&G agreed to replace it. When the replacement fridge freezer was delivered on 31 March, Ms N found that it was the wrong size for her kitchen. She says that she asked the delivery men to take it back, but they said they were unable to do so, and they recommended that she phone D&G to resolve the situation.

When Ms N called D&G, it said it would not take the fridge back. I understand that was because the new fridge had already been plugged in and used, meaning the supplier would not take it back. Ms N explained that she had plugged in the fridge because otherwise her frozen food would have needed to be thrown away.

Due to its size, Ms N said the fridge stuck out further into her kitchen than her previous one had. She says that she also noticed the fridge had scratches and dents on its exterior. After she started to use it, Ms N reported that it was failing to cool as quickly as it should, resulting in some food going bad despite the fridge being set at the correct temperature.

Ms N contacted both the fridge manufacturer and D&G in order to get the item repaired or replaced, or to receive a refund for it, but she was unable to resolve matters. On 8 August 2023 she spoke to D&G and it provided some details about what the manufacturer's guarantee covered. It said that if the problem with the fridge was not covered by the manufacturer's guarantee, Ms N would have to pay a call out fee for an engineer attending. D&G outlined what an extended warranty for the fridge would cover, and Ms N agreed to take a new warranty out for £5.81 per month. D&G then arranged a date for an engineer to visit and inspect the fridge.

In August an engineer carried out a repair on the fridge by re-gassing it.

Responding to Ms N's complaint about the fridge, D&G accepted that the item delivered in March 2023 was faulty. It offered to replace the fridge under the new warranty which had been taken out in August, waiving removal and installation costs. Alternatively it said that if Ms N was happy to retain the fridge following its repair, it would pay her £100 as a gesture of goodwill. With regard to the dimensions of the fridge and the difficulties in fitting it into the kitchen, D&G stated that when Ms N had chosen it, she was aware of its size. It did not consider it was at fault for this.

I understand that the £100 payment was put into Ms N's account. However Ms N confirmed she wanted this service to consider her complaint.

Our investigator upheld Ms N's complaint. His view was that Ms N had asked for the fridge to be returned when it was delivered in March 2023 because it was too big, but the delivery

company had refused. He noted that Ms N had also said it was damaged and did not work properly. The investigator stated that D&G should have arranged an inspection of the fridge and offered to replace it at an earlier date. He said D&G should now replace the fridge.

The investigator also proposed that D&G cover the cost of spoiled food caused by the appliance not working properly, adding interest to this, subject to Ms N providing proof of that cost. With regard to the new warranty that Ms N had taken out in August, the investigator highlighted that the replacement fridge had reported issues. As a result he said that D&G should have arranged an engineer's visit without a potential call out fee applying. As he considered Ms N took out the new warranty because of her concerns that she might incur a call out fee, he requested that D&G refund the premium costs with interest. To reflect the difficulties Ms N had encountered with her claim, he also proposed that D&G increase its compensation payment to £200.

D&G did not agree with the investigator's findings. It reiterated that Ms N had ordered the replacement fridge online after seeing its dimensions. D&G stated that when Ms N had accepted its offer of a £100 goodwill payment, she had admitted that she should have checked the fridge's dimensions before ordering it. With regard to the costs of food loss, it said that its policies do not cover this. D&G's view was that Ms N had not been unfairly pushed into taking out the new warranty in August.

In terms of whether the fridge had visible damage on it when delivered, D&G said that the delivery had no record of this. It questioned whether the fridge had been damaged by people bumping into it due to its size. In terms of the need to re-gas the appliance so soon after delivery, D&G suggested that this may have been required because it had been moved around. It explained that the re-gassing had been carried out by the manufacturer under its warranty. D&G also questioned why Ms N had used the appliance and filled it with food if she was unhappy with it.

The investigator remained of the same view regarding how the complaint should be resolved. He said that Ms N had asked this service to investigate her complaint because she wanted her fridge to be replaced and to be compensated for trouble she'd been caused. His view was that Ms N had asked for the fridge to be taken away when it was delivered because it was the wrong size, but the delivery company had refused to do this. The investigator also highlighted that Ms N had used the fridge because otherwise her food would have been spoiled.

The investigator said that Ms N had taken out the new policy in August because D&G had told her that she would incur a £137 call out charge if the issue with the fridge was not covered by the manufacturer's warranty. His view was that the engineer's visit should have been offered free of charge because it likely related to the quality of the fridge that D&G itself had provided under Ms N's claim made in March 2023. As a result, the investigator maintained his view that D&G should refund policy premiums paid for the new D&G policy.

Regarding the re-gassing of the appliance, the investigator commented that whilst D&G had suggested the need for this could have been because Ms N had moved it, there was no other evidence to support that contention. His conclusion was that the fridge provided by D&G was not of the appropriate quality, and did not keep items inside it sufficiently cool. On that basis he asked that D&G replace the fridge. He also said that because the poor quality of the fridge provided by D&G led to food being spoiled, D&G should pay for that food.

D&G continued to disagree with the investigator's assessment, stating it should not be required to do anything further because Ms N had initially been happy with its attempt to resolve her complaint. It highlighted that it had previously offered Ms N a replacement fridge as a gesture of goodwill, but she had turned this down. It also confirmed that Ms N had told it

that she had made a food loss claim with the repair agents, and was receiving money from them. D&G suggested Ms N had not made it clear to its complaint handler that the cost of spoiled food remained an issue.

D&G commented that there wasn't evidence that Ms N had told the delivery company that she did not want to accept the appliance when it arrived. It suggested it was unfair to take Ms N's testimony into account in this way. D&G said that the delivery company would not have left the fridge with Ms N if she had refused to accept it, and so it considered on the balance of probabilities Ms N did not have this conversation with delivery staff.

D&G said that Ms N had chosen the fridge without 'due diligence', and had admitted to knocking into the appliance which had led to a fault. In terms of the new D&G policy Ms M took out, it said she had not been forced to do this, and had been given enough information to make an informed choice. D&G concluded by saying that in the phone discussion with its complaint handler, Ms N was happy that D&G had addressed her concerns. It asked that this complaint be reviewed by an ombudsman

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.

Firstly I note D&G's position that it should not be required to take any further actions with this complaint because when it spoke to Ms N about it, she was initially happy with its proposals to resolve it. I've listened to the recording of the call Ms N had with D&G's complaint handler where D&G's resolution offer was outlined. The complaint handler explained D&G's stance on the various issues, but Ms N was unsure whether she would accept its offer, and it was agreed that D&G would ring back the next day.

It's clear that Ms N was initially uncertain about whether she considered D&G's approach to her complaint to be fair. Our investigator spoke to her a few days later and Ms N explained that she wanted him to investigate her complaint. It is for this reason that the issues raised by Ms N are now being considered by this service.

For ease of reference, I have used sub headings for the various aspects of this complaint.

Ms N's choice of replacement fridge

When D&G agreed to replace Ms N's existing fridge freezer under the warranty in March 2023, it provided her with a link so that she could choose her new appliance. The new fridge was around the same height as the existing one, and narrower. However, it was just over three centimetres more in depth. When it was delivered, Ms N noted that it was sticking out into her kitchen noticeably more than her previous fridge.

D&G state that Ms N failed to carry out 'due diligence' with regard to the fridge's dimensions when choosing it. In my view it can be difficult to envisage how well an appliance will fit into a room based upon the dimensions listed for it. This can particularly be the case when considering an item's depth, and how this might affect the space that is available in a room. Although I acknowledge D&G's comments that the new fridge was Ms N's choice, on balance I do not consider it was unreasonable for Ms N to raise her concerns about the size of the fridge once it had been delivered.

Events when the fridge was delivered

Ms N says that when the fridge was delivered and she saw that it did not fit well in her kitchen, she asked for it to be taken back. D&G spoke to the delivery company and it said it had no record of Ms N asking for the fridge to be taken back, or that it was too large. I have listened to the recording of the call between D&G and the delivery company discussing this.

D&G has stated that it was unfair of the investigator to rely on Ms N's testimony about the events that occurred on the day of delivery in the way that he did. Clearly I cannot know for sure what was discussed when the fridge was delivered. However, D&G will be aware that testimony provided about an event from either party to a complaint is evidence. When determining a case it's necessary to consider all the evidence provided to reach a view, based on the balance of probabilities.

Ms N's description of her interactions with the delivery staff has detail, and in my view is entirely plausible. The delivery company does not have a record of Ms N asking for her new fridge to be returned, but I would not necessarily expect it to note this level of detail when it seems likely to me that it was delivering a number of items on the day. Overall I am persuaded that Ms N did ask the delivery company to take the new fridge back on the day it was supplied due to its size, but she was told she would need to raise this directly with D&G.

Problems with the quality of the new fridge freezer

It's accepted that the replacement appliance did not work as it should have, failing to keep items sufficiently cold. Ms N wrote to D&G on 27 April 2023 stating that the fridge's performance was "*subpar*", not cooling as efficiently as it should, and that some food had gone bad despite being stored at the recommended temperature.

D&G's position is that it is likely the poor performance of the fridge was the result of incorrect actions that Ms N took. It's said that the need to re-gas the appliance so soon after delivery could have been the result of Ms N moving it. D&G's later response to the investigator indicated that it thought people knocking into the appliance might have led to a fault being dealt with under the manufacturer's warranty. My understanding of D&G's comments is that the re-gassing of the fridge was likely the result of it being moved, or knocked into, or both.

Ms N's letter to D&G on 27 April was written within a month of the fridge being delivered. It seems unusual to me that a new fridge would not be cooling items so soon after installation. And whilst D&G has suggested reasons for the fridge's poor performance, as the investigator said, it's not provided any expert evidence to demonstrate that it was the actions of Ms N that caused the cooling problems. I also note that in D&G's internal complaint notes, its complaint handler commented: "*I am not disputing that the appliance was faulty from when customer received it.*"

In addition regarding the quality of the appliance delivered, in her letter on 27 April, Ms N stated that she had noticed scratches and dents on its exterior. D&G has said that the delivery company had no record of the fridge having visible damage on it, and it suggested it may have been damaged by people bumping into it. I note its comments, but in my view a customer will not necessarily notice any damage on a delivered item immediately. Overall based on the weight of evidence, I consider that upon delivery the fridge was not of the appropriate quality, both in terms of its inability to keep items cool, and external damage that it had.

The new fridge delivered to Ms N in March 2023 was a replacement provided by D&G under its extended warranty policy. In my view the fridge should have been an effective replacement item, but it was not. As Ms N remains unhappy with the quality of the fridge she was provided with, my view is that D&G should now be required to replace it.

Sale of the new D&G warranty

I have listened to the call on 8 August between Ms N and D&G when she agreed to take out a new warranty for the replacement fridge. At the start of the call, Ms N explains that her fridge has not been working properly for several months in terms of cooling items, and that in attempting to get an engineer out to look at it, she has been passed between D&G and the manufacturer. It is clear that her focus is on getting an engineer to visit and inspect the fridge.

The D&G representative explains the fridge has a one year guarantee from the manufacturer, but this only covers mechanical and electrical faults. The representative goes on to say that if the engineer comes out and the problem does not relate to a manufacturer's fault, Ms N will be charged £137 as a call out fee. She says that in this scenario there would also be the costs of parts and labour.

D&G has said that Ms M was not forced to take the policy out, and was given enough information to make an informed choice about it. However, I would highlight that the fridge was a replacement appliance supplied by D&G under a previous warranty, and needed to be of an appropriate quality. Ms N was essentially telling D&G that it was not an effective replacement item. Consequently I consider D&G should have been arranging for an engineer to inspect the fridge to determine whether or not it had provided Ms N with a faulty item, rather than selling her a new warranty for this replacement item. And as the investigator said, in arranging for an engineer to inspect the fridge in this situation, D&G should have ensured no call out fee was payable.

Like the investigator, based on the content of the call on 8 August, I also consider that the reason Ms N took out the new warranty was because she was concerned she might incur a call out fee. My view is that D&G did not provide Ms N with clear information relating to how she could arrange to get an engineer to visit without incurring a call out fee, and this led to her taking out a new policy. In the circumstances I consider D&G should refund the premium costs of the new warranty to Ms N with interest.

Spoiled food

Ms N has said that because her fridge was not effectively cooling items in it, she was forced to throw away some food she had stored. D&G does not dispute that the fridge was not staying sufficiently cool. However it has questioned why Ms N filled the fridge with food if she was experiencing this issue. I am surprised by D&G's comments. It seems to me that if Ms N wanted to have some stocks of food in her house, she would have had limited options available other than to use the fridge she had, even though she knew it was not performing as it should. Consequently I do not consider Ms N acted unreasonably when storing food in the fridge, despite being aware that it was not appropriately cooling items to the extent that it should have been.

D&G has highlighted that its policies do not cover loss of food. But as I've already said, the issue in this complaint is that D&G provided Ms N with a replacement fridge which did not operate effectively. Regardless of the cover provided by the warranty, if Ms N has suffered a financial loss because the replacement appliance D&G supplied was not of sufficient quality, D&G should reasonably be liable for that loss.

D&G has said that Ms N pursued a claim for spoiled food with the repair agents, and it believes she received money from them. D&G's claim notes refer to Ms N pursuing a damaged food claim with the manufacturer. Either way, I consider it reasonable that D&G compensate Ms N for the cost of food that was spoiled because the fridge was not cooling

sufficiently. But D&G should not compensate Ms N for any items she has already successfully claimed for from another party, such as the manufacturer.

Distress and inconvenience caused to Ms N by D&G's handling of her claim

D&G accepts that in March 2023 Ms N was provided with a fridge that was faulty. In my view this would have caused Ms N some upset, as would experiencing food items going bad in the fridge because it was not working effectively. Ms N encountered difficulties arranging for an engineer to visit and inspect the fridge, and she was also unnecessarily sold a new warranty by D&G.

D&G paid Ms N £100 as a gesture of goodwill. Having considered the circumstances in this case, my view is that Ms N has been caused unnecessary distress and inconvenience by D&G such that a total compensation amount of £200 (which includes £100 already offered) is appropriate.

My final decision

My final decision is that I uphold this complaint, and require Domestic & General Insurance Plc to carry out the following actions:-

- Replace the fridge freezer delivered to Ms N in March 2023.
- Refund to Ms N the premiums paid under the new warranty sold to her in August 2023. Simple interest at 8% per annum (*) should be added from the date each premium was paid to the date of settlement.
- Reimburse Ms N for the cost of any food spoiled by the fridge freezer not cooling properly, where Ms N has not been able to successfully claim for the cost against another party. To any sum due should be added simple interest at 8% per annum (*) from the date each cost was incurred to the date of settlement.

In order for Domestic & General Insurance Plc to assess this element of redress, Ms N will need to provide it with evidence of the cost of the spoiled food. Ms N will also need to provide details to Domestic & General Insurance Plc about any spoiled food costs she has successfully claimed for from another party. Domestic & General Insurance Plc may also need to make their own enquiries with those parties in this regard.

- Pay Ms N total compensation of £200 in respect of distress and inconvenience caused to her. In the event that it has already paid her £100, Domestic & General Insurance Plc needs to pay Ms N a further £100 compensation.

* If Domestic & General Insurance Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms N how much it's taken off. It should also give Ms N a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 28 June 2024.

John Swain
Ombudsman