

The complaint

Ms D complains about the way Domestic & General Insurance Plc dealt with a claim on her gadget insurance policy

What happened

Ms D had insurance cover for three different electrical gadgets, which she took out in 2020 and renewed in 2021 and 2022.

On 30 December 2022 she called Domestic & General to make a claim for all three items, which had been damaged following an incident in her home. She was transferred to the contractor Domestic & General used for repairs, to arrange an appointment.

Ms D called back later that day saying had spoken to the contractor who said there was no record of the jobs. The call handler offered to call the contractor about this.

She called again later that day to say she had spoken to the contractor again but was still unable to arrange anything. She then said she wanted to make a complaint.

On 13 January 2023 Domestic & General called Ms D about the complaint. The call handler had phoned the contractor to book the repair jobs and spoke to Ms D to confirm this. Ms D again said she was unhappy with the contractor – she said they were unpleasant, obstructive and racist. The call handler explained that an appointment had been fixed with the contractor for a few days later and the contractor had promised to call her to confirm this and apologise to her, but Ms D said she didn't want to proceed with the repairs and cancelled her policy.

Domestic & General sent a final response to Ms D the same day saying:

- The behaviour of the contractor didn't meet the expected standards and it was sorry it had acted unprofessionally.
- The contractor said there wasn't an existing claim for the three items, but one had now been set up and an appointment arranged for 20 January.
- It had offered a return of premiums for the period when she was without the use of the gadgets but Ms D had rejected that offer and said she wanted to cancel the policy.

Domestic & General said it was sorry Ms D had had to make repeated calls and upheld her complaint, but didn't offer any compensation.

Ms D referred her complaint to this Service. Our investigator said if Ms D didn't want to use Domestic & General's contractor, she needed to provide a report setting out the cause of the damage to her gadgets.

The investigator didn't think Ms D had shown that she'd been discriminated against but thought some compensation should be paid for the poor service provided. She asked Domestic & General to pay £50.

Domestic & General agreed to this but Ms D didn't. She asked for an ombudsman's decision.

I issued a provisional decision saying I intended to uphold the complaint and direct Domestic & General to pay compensation of £200. I set out my reasons as follows:

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not unreasonably reject a claim.

The policy covers breakdown (after the end of the manufacturer's guarantee) and accidental damage. It sets out that claims will be dealt with as follows:

- *Domestic & General will – at its option – authorise a repair, arrange a replacement or pay the cost of a replacement.*
- *Only its authorised engineers will carry out repairs, unless agreed otherwise in advance.*
- *If it authorises repairs but is unable to find an engineer, it will agree to the customer's choice, but they have to pay for the repairs and then claim the cost back.*
- *It may authorise a replacement instead of repairs, for example where the gadget can't be repaired or it's not economical to repair it.*

So when Ms D made a claim, Domestic & General should have arranged for the gadgets to be repaired or, if that wasn't possible, replaced. It was entitled to use its own authorised engineers unless it agreed to Ms D's choice.

Ms D made clear in her calls to Domestic & General her concerns about the contractors. And despite a number of calls from both Ms D and Domestic & General, it wasn't until 13 January 2023 that an appointment was arranged for them to inspect the gadgets.

I can't say what caused the problems with the contractor or whether Ms D was discriminated against. But I've thought carefully about how Domestic & General dealt with the issues Ms D raised.

I've listened to Ms D's calls with Domestic & General. It's clear she was concerned about how the contractor had dealt with things. And she explained that she'd had problems with them in the past, when a previous claim wasn't handled well and she'd had to complain.

The contractor was denying any record of the claims, even though Domestic & General told Ms D it had spoken to the contractor. And as I've explained, it took many calls to get things moving.

In the initial calls with Domestic & General its call handlers told Ms D:

- *if the contractors didn't come and deal with the repairs she could easily get a replacement instead;*
- *someone would be in touch in a few days to discuss if anything further was needed and if she wasn't comfortable working with that contractor they could try and find someone else.*

I think it would have been reasonable for Domestic & General to look into using a different contractor. Despite the above comments, that wasn't considered. In the call responding to her complaint, the call handler didn't really listen to what Ms D was saying or seem to take on board her concerns. This would have been frustrating for Ms D.

Having said that, by this time the contractor had agreed to call Ms D to apologise and an appointment had been arranged for a few days later. If Ms D had allowed the contractor to

visit, it might have been possible to deal with the repairs (or replacement, if necessary). If there had been further problems, she could still have asked for a different contractor and pursued her complaint further.

Instead, she decided to cancel the insurance. That meant it wasn't then possible to deal with the claim. So while I understand she was upset, her action in cancelling the policy prevented any further opportunity to deal with the claim.

Ms D has said she'd like an apology; the return of all her premiums; and the purchase price of all three items paid to her. She's referred to this as 'punitive damages' for the way she was treated.

It's not for me to punish firms or regulate the way they carry out their business. Where something has gone wrong, my role is to say what should happen to put things right for the individual concerned. When Ms D raised concerns about how her claim was being dealt with I don't think Domestic & General did enough to address this. It stuck rigidly to the use of its contractors without considering whether that was reasonable in the circumstances. This caused Ms D unnecessary distress. She was also put to the inconvenience of having to make repeated phone calls to get things moving. I don't know whether it would have been possible to find another contractor in Ms D's area that was able to deal with the jobs, but the opportunity to look into this was lost.

Taking all of the above into account I think a compensation payment of £200 would be fair.

Replies to the provisional decision

Domestic & General hasn't replied to the provisional decision or provided any further comments but Ms D has replied to say she accepts the 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.

As Ms D has accepted the provisional decision and Domestic & General hasn't provided any further comments for me to consider, I see no reason to change my provisional decision.

So it remains my view that the fair way to resolve the complaint is for Ms D to be paid compensation of £200.

My final decision

I uphold the complaint and direct Domestic & General Insurance Plc to pay compensation to Ms D of £200 for the distress and inconvenience caused to her

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 8 December 2023.

Peter Whiteley
Ombudsman