

The complaint

Mrs B complains about the service she received from Domestic & General Insurance Plc (DG) under a protection policy for her dishwasher.

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

Mrs B was supported by a representative in making her complaint to this Service. References to Mrs B include her representative.

This decision covers Mrs B's complaint against DG as the insurer of her protection policy. It doesn't cover the manufacturer, a separate business, other than as context.

What happened

Mrs B had a protection policy with DG covering breakdown and repairs to her dishwasher. In December 2021 her dishwasher developed a fault. An engineer inspected the machine and concluded it was unrepairable. So, Mrs B was offered a replacement under her policy. She chose a replacement (of a different make to her faulty machine) from a list provided by DG.

However, after the replacement was delivered and Mrs B began to use it, she found it didn't wash items properly and she thought it poorly designed (she couldn't fit in dinner plates without them fouling the rotator arm). She raised her concerns with DG and the manufacturer in February/March 2022, asking for a replacement machine of a different make. But she said she didn't receive a response.

She contacted the manufacturer again in March 2023, saying the dishes were warm at the end of a washing cycle and steam present. She didn't think there was a problem with the machine's functioning, rather she thought it badly designed and not fit for purpose. The manufacturer offered to send out an engineer to inspect the machine, but Mrs B said she didn't want an engineer visit, she wanted a replacement machine or compensation to enable her to buy a replacement machine.

Unhappy at what had happened, Mrs B complained to DG. She was very disappointed with the replacement machine and wanted DG to replace it with a similar model from the same manufacturer as her original dishwasher. She'd chosen the replacement dishwasher from the list of models available that didn't involve having to pay an additional fee. She'd had to hand wash two plates that wouldn't fit in the machine, as well as other items the machine hadn't properly washed in the machine.

DG didn't uphold her complaint. In their final response they said the replacement dishwasher was still under the manufacturer's warranty, so if there were any mechanical faults with the machine, they would be covered by the manufacturer – DG would only cover the machine for accidental damage. As no faults had been found with the machine, then neither DG nor the manufacturer could do anything further.

Mrs B then complained to this service, unhappy with the replacement washing machine which she said wasn't fit for purpose, meaning she had to wash items in the dishwasher by

hand. It had been 15 months since the washing machine was replaced and she didn't think the service she'd received from DG was up to standard. She wanted DG to apologise, replace the machine and pay her £2,250 compensation for what had happened, the inconvenience and having to wash dishes by hand (£750 for her time and administration costs over the period; £750 for her time having to wash dishes by hand after they'd been washed in the machine; and £750 for wasted energy costs, dishwasher tablets and washing up liquid).

Our investigator upheld the complaint in part. She didn't think DG should replace the dishwasher, as there was no fault with the replacement machine or accidental damage (which the policy would cover). And the policy excluded incidental costs from cover, so DG didn't need to make any payment to Mrs B in this respect. But the investigator concluded Mrs B had raised her dissatisfaction with the replacement dishwasher several times, but this hadn't been addressed by DG. So, the investigator thought DG should pay £100 compensation for the inconvenience this caused Mrs B.

Mrs B disagreed with the investigator's view and requested an ombudsman review the complaint.

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.

My role is to decide whether DG have acted fairly towards Mrs B.

The key issue in Mrs B's complaint is she doesn't think the replacement machine is fit for purpose as she doesn't think it properly washes dishes, so she then has to wash them by hand. She's also unhappy that the concerns she raised in 2022 weren't addressed by DG, until she contacted them (and the manufacturer) again in 2023.

On the first issue, I've considered what both Mrs B and DG have told us about the replacement machine. Mrs B has said, in her complaint and correspondence with DG, that there isn't a mechanical fault with the replacement machine. Rather she doesn't think it's fit for purpose and the issues are with the design of the machine (such as the racks).

While Mrs B has said this, I've noted the manufacturer have offered to send an engineer to inspect the machine, to confirm whether there may be a mechanical fault. If there were, this would fall under the manufacturer's warranty. While my decision covers how DG have acted towards Mrs B, I think this is a reasonable offer, as the intention is to determine whether there is a mechanical (or other) fault with the machine.

DG's protection policy covers breakdown (after the manufacturer's guarantee) which the policy defines as:

"If your appliance suffers a mechanical or electrical breakdown after the end of the manufacturer's parts and labour guarantee period, we will (at our option) authorise a repair, arrange a replacement or pay the cost of a replacement appliance."

The policy defines accidental damage (during and after the manufacturer's guarantee) as:

"Both during and after the end of the manufacturer's parts and labour guarantee period, if your appliance suffers accidental damage (so that the appliance 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 appliance."

Given the circumstances of the case, I've seen nothing to indicate the dishwasher suffered accidental damage. And while Mrs B says there wasn't a mechanical fault with the machine, if there were a fault due to mechanical or electrical issue, the policy would only cover this if it was after the end of the manufacturer's guarantee. Given this, the policy doesn't cover the circumstances set out above.

So, I've concluded it wouldn't be reasonable for DG to replace the machine.

On the point about compensation for the factors Mrs B sets out in her complaint to this Service, I don't think it would be reasonable for two reasons. First, my conclusion the policy wouldn't cover the circumstances set out above. But second, the policy contains an exclusion I think relevant:

- *"costs or loss arising from not being able to use your appliance...or incidental costs caused by breakdown or repair".*

While Mrs B can use her appliance, the exclusion is designed to exclude indirect costs associated with the appliance. While it doesn't explicitly refer to costs (direct or indirect) arising from a replacement product, as the replacement was a result of the breakdown of Mrs B's old dishwasher, I think it reasonable to interpret the condition to include costs of using a new product.

In this case, these would reasonably include the indirect costs Mrs B refers to in respect of her time washing dishes manually and the costs of detergent and other consumables associated with use of the machine and having to wash dishes manually. But in any event, these consumables would be needed to wash dishes – either in the machine or manually. So, it wouldn't be reasonable to ask DG to pay for them.

Turning to the second issue, that the concerns she raised in 2022 weren't addressed by DG, until she contacted them again in 2023, I've considered the information and evidence available. In their response to this Service's request for information, DG acknowledge Mrs B raised concerns about the replacement dishwasher in 2022, but they didn't address the concerns. Nor were they covered in their final response. DG accept this was a shortfall in the service provided to Mrs B. Though they don't believe, had they addressed them earlier, they would have reached a different conclusion on whether to replace the machine.

I agree DG haven't met the standard of service Mrs B should have expected, so I've concluded they haven't acted fairly towards her.

Having reached this conclusion, I've thought about the issue of compensation. Considering my conclusion DG haven't acted unfairly or unreasonably in not replacing the dishwasher or reimbursing Mrs B for what she says are the costs of having to wash dishes manually, I think Mrs B has suffered some distress and inconvenience from DG not responding to her concerns when they were first raised. But I don't think this would have changed the outcome of her main element of complaint.

DG say they don't think they should pay Mrs B compensation for distress and inconvenience. But given my conclusions, I think Mrs B has suffered some distress and inconvenience.

In thinking about what would be reasonable, I've considered the circumstances of the case as whole, and 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 Mrs B's complaint in part. I require Domestic & General Insurance Plc to:

- Pay Mrs B £100 for distress and inconvenience.

Domestic & General Insurance Plc must pay the compensation within 28 days of the date on which we tell them Mrs B 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 Mrs B to accept or reject my decision before 20 December 2023.

Paul King
Ombudsman