

The complaint

Miss S is unhappy that Domestic & General Insurance Plc (D&G) replaced the hard drive on her laptop before she could backup her data. She was also insured for a laptop she didn't own and wants part of the premium refunded.

What happened

Miss S took out a specialist warranty policy which covered the electronic devices in her house. When a laptop was collected for repair D&G lost the data stored on it. Miss S said she had requested its return before the hard drive was replaced so she could backup important work files and personal memories. But D&G replaced the hard drive before doing so and her data was lost. So she'd would like compensation for the loss of her personal files. Miss S said D&G has also charged her for two laptops of the same make when she only owned one. So she would like part of the premium refunded.

D&G said its records showed Miss S was covered for 3 laptops in total. It'd reviewed the call when the policy was taken out. And the customer had been sent documentation clearly showing a total of 3 laptops covered by the policy. D&G said it was the customer's responsibility to check the details were correct and inform the business of any mistakes.

D&G said Miss S had asked the repair agent not to reformat or restore the laptop as she didn't want to lose her data. However the issue was a faulty hard drive so there would've been issues accessing the information stored on the laptop. It wouldn't have been possible to save the data before the drive was replaced. D&G said it'd acted within the terms and conditions of the device cover policy. The policy terms and conditions recommend data is backed up on a regular basis. The terms also advised that any device sent for repairs would be reset to factory settings, so data would be cleared from the device.

Miss S wasn't satisfied with D&G's response. So she contracted our service and our investigator looked into the matter. Our investigator could see Miss S had requested that the laptop be returned so she could backup the hard drive. But D&G had replaced it before Miss S could act. Although D&G said the hard drive was corrupted and the data couldn't be backed up, our investigator said data could sometimes be obtained from corrupted hard drives. But Miss S hadn't been given the chance to see if it was possible. And she'd lost personal information and memories.

Our investigator felt D&G's actions had caused Miss S considerable distress, upset and worry. So he said D&G should pay Miss S £300 compensation to reflect this. And it should return the original hard drive if that was possible.

As Miss S also had cover for a laptop she didn't own, D&G had been providing cover for something Miss S couldn't claim for. And he said D&G should repay the premiums paid for the additional laptop and add 8% simple interest from one month after the issue was raised.

D&G didn't agree. The issue with Miss S's laptop was that the hard drive had failed. It needed replacing and the old drive would've been disposed of using a suitable recycling scheme.

D&G said it shouldn't be penalised for Miss S's failure to safeguard her own data. D&G said it'd reviewed the sales conversation when the policy was taken out. And it felt its records were correct. The customer hadn't informed it of any mistakes after receiving the policy documentation. So D&G felt it'd acted correctly and in line with the terms and conditions of the policy. And it's asked for an ombudsman's final 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.

I'm sorry to hear about the problems Miss S has experienced. It must've been very upsetting to lose the personal memories and work data stored on the laptop. So I've looked at everything Miss S and D&G have said to see if D&G has acted fairly and in line with the terms and conditions of the policy. And if not, what it should do to put things right.

D&G says it is clearly stated in the policy terms that policyholders should backup data on a regular basis. The terms also warn that items will be restored to factory setting during the repair process. And it feels that is sufficient warning to the policyholder.

During the telephone call requesting a repair Miss S is told that the laptop will be collected, taken away for repair and if it can't be repaired then it would be replaced with a like for like model. Miss S isn't asked if her data has been backed up recently. And no reference is made to the potential for data to be lost during the repair process.

After the laptop had been collected Miss S was made aware the repairs would mean the loss of her data. So she asked for the laptop to be returned first so she could make a copy of her files. And I don't think that's unreasonable. Although it is a sensible course of action to regularly backup computer and phone data, it is not something everyone thinks about on a regular basis.

D&G noted that if the laptop was experiencing problems with the hard drive – which was replaced during the repairs – then it wouldn't have been possible for Miss S to backup the data if it'd been returned. But that's not necessarily true. It seems the laptop wouldn't start up properly. If the hard drive was damaged and limiting usage that doesn't necessarily mean that some or all of the data files on the drive were unrecoverable. And, from what I've seen, Miss S did ask for the opportunity to try and do so.

Even though D&G may have acted strictly within the terms of its policy, the repair team's actions cleared Miss S's data – even though she had asked to try and safeguard it first. And I don't think that is fair. So it's only right that D&G compensate Miss S for the distress and upset caused by the loss of her personal files.

Miss S is also unhappy she's been paying an additional premium for a laptop she didn't own. D&G said it'd reviewed the sales conversation when the policy was taken out. It said the adviser noted cover would include an Acer laptop, a Hewlett Packard laptop and a Dell laptop. Miss S advised the Dell laptop was now an Acer laptop. And I think this is where the confusion may have arisen. Miss S only had one laptop from Acer. But two were inadvertently listed on the policy. And Miss S was only made aware of the error during later conversations when the covered items were read back to her.

While I appreciate that two Acer laptops were listed on the policy documentation for Miss S to review, there is no clear differentiation between them – unlike the three mobiles which were all listed with separate identifiers. As a result Miss S has been paying an additional premium as part of her cover for an item she didn't own. And I don't think that's reasonable.

She wouldn't have been able to utilise the cover she was paying for at any point as she simply didn't have the item to make a claim for.

Putting things right

I can see our investigator recommended D&G pay Miss S £300 compensation to reflect the upset, distress and inconvenience caused by the loss of her data. And I think that's fair and reasonable in the circumstances.

D&G should also repay to Miss S the additional premium paid for a laptop she didn't own and couldn't claim for. Simple interest of 8% should be paid from one month after the issue was raised with D&G as the matter hasn't been resolved earlier.

My final decision

My final decision is that I'm upholding Miss S's complaint and direct Domestic & General Insurance Plc to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 3 May 2024.

Andrew Mason
Ombudsman