

The complaint

Ms J has complained about the service provided by Domestic & General Insurance Plc ('D&G') in relation to her appliance insurance policy. For the avoidance of doubt, the term 'D&G' includes reference to D&G's agents and representatives in this decision.

What happened

Ms J insured a washer dryer with D&G which required repairs. D&G eventually agreed to provide a replacement washer dryer. D&G renewed the policy in December 2022, and the new washer dryer arrived in January 2023. Ms J then cancelled her policy as she was finding it expensive, and the new machine was covered by warranty. The policy had been linked to a manufacturer's points reward scheme, and Ms J had accumulated a significant number of points over many years. Ms J wished to use these points to buy other appliances. When Ms J cancelled her policy, D&G said that she could only use these points if she had a live policy and Ms J complained. Ms J complained that D&G declined to refund her premium payment for December 2022. She also complained about service failures.

D&G didn't uphold her substantive complaints about reward points and premium refund and considered that the manufacturer was responsible for the reward scheme. It did however offer £80 compensation to cover laundry fees and for the inconvenience caused by Ms J having to chase D&G for a response over the relevant period. Ms J was unhappy about D&G's responses and referred her complaint to this service. The relevant investigator issued three views in this matter over the period of four months.

In her first view, the investigator looked at the reward points issue amongst other matter. She considered that this was something Ms J would need to raise with the manufacturer and that D&G wouldn't be responsible. However, she considered that D&G should pay a further £100 compensation for certain service issues. In her second view, the investigator again considered the reward points issue amongst other matter and reached the same conclusion that D&G should offer a further £100 for the inconvenience caused.

In her third view the investigator looked at Ms J's complaint that D&G didn't refund her policy premiums and didn't provide her with a plan number to access the points reward scheme. She didn't uphold Ms J's complaint. She stated that Ms J had paid her first premium at the end of December 2022 and cancelled the policy in January 2023, but outside the 'cooling-off' period. She considered that Ms J had access to the plan number with her policy documents in any event. She also referred to the rewards scheme terms and conditions which showed that points may not be available in these circumstances. Finally, the investigator thought the compensation of £80 to cover laundry fees and inconvenience to be fair and reasonable for the inconvenience caused. Ultimately, she didn't therefore uphold the complaint. Ms J remained unhappy with the outcome of her complaint. The matter was therefore referred to me to make a final decision in my role as Ombudsman. I noted that Ms J has also complained to D&G that it had taken too long to repair her original washer dryer. This is being considered separately and under a different complaint reference. A separate decision will therefore be issued in this respect. In December 2023, I therefore issued a provisional decision for this complaint and explained why I was minded to partly uphold Ms's complaint as follows; -

I've also considered the submissions of the parties as summarised below. Having done so, I can't say that D&G has acted in an unfair or unreasonable manner in relation to the substantive issues. I don't consider however that it provided a fair and reasonable service in all respects during late December 2022 and early January 2023.

I turn firstly to Ms J's submissions in this matter. As to the reward points, Ms J had tried to use these, as she had over £2,000 worth of points over the years and rather than fight for another replacement appliance, she wanted D&G to redeem these points. She said that D&G had prevented her from accessing her points because she hadn't insured her replacement washing machine, which had a warranty on it in any event. She felt cheated after insuring with D&G for 10 years, and also felt she'd been sent backwards and forwards by D&G and the manufacturer regarding the reward points. She said she'd never been informed that not having a live policy would affect her ability to use existing reward points. Ms J felt cheated and misled into continuing her policy for over 10 years with promises of reward system points which couldn't then be used towards buying another. She felt that D&G had failed to honour its promises.

As to the insurance premium payment taken from her bank account in December 2022, she said that this was taken before the machine was delivered and without her consent. She said that D&G took payment from her account for a machine that she didn't yet own. She said that D&G refused to refund the payment, stating that it had received the cancellation request after the money was debited. Ms J said she'd tried to resolve the matter several times, spending hours on the phone and emails to D&G, 'but they have refused to cooperate.'

Finally, Ms J said that there were several failed deliveries of the new machine by D&G, causing her to miss work. She also complained of rude behaviour by delivery drivers. She felt that she'd been treated unfairly and have suffered significant inconvenience and loss of earnings from missing work. Ms J said she'd lost more than the cost of a new machine and didn't consider that £80 provided adequate compensation. She thought that D&G was very inefficient and had poor customer service and didn't want to continue doing business with it because of the stressful situations she said it had put her through.

I now turn to D&G's response to Ms J's complaint. As to the points reward scheme, it said that this was a matter for the manufacturer, as it was a promotional scheme which was run by the manufacturer and not D&G. It said that the points depended on the customer having a live policy with D&G. It said that if the customer made the choice to cancel the policy, then the points may not be available to buy relevant products in the future. It then referred to the detailed terms and conditions of the policy in this regard.

As to the December 2022 premium payment which Ms J said had been taken by D&G on an unauthorised basis, D&G said that this was made through a direct debit arrangement. It said that as the cancellation request wasn't requested and actioned until January 2023, it couldn't reverse the debit.

As to service issues, D&G noted that Miss J had said that she kept having to call as everything was being done incorrectly by D&G. It had therefore offered Ms J compensation of £60 as laundrette fees and £20 for the number of calls Ms J had to make to chase issues.

I now provide my reasoning for my provisional decision regarding Ms J's complaints. As regards the point rewards scheme, the starting point will be the relevant terms and conditions which form the basis of the contract between the insurer and customer. In this case, I'm satisfied that the scheme was one operated by the manufacturer rather than D&G and I can't hold D&G responsible for the operation of the scheme. In any event, the terms and conditions make it clear that the customer 'may not be entitled to redeem...Rewards

issued in respect of the cancelled D&G Plan and any already issued/credited. Rewards may become void.’ Also ‘Rewards are only available for individual customers who have a D&G Plan in force.’ In the circumstances, the terms are clear and unfortunately for Ms J, I can’t say that D&G has acted in an unfair or unreasonable manner.

I do however have sympathy for Ms J’s position in this respect. The annual welcome letter from D&G in December 2022 is clearly used as an incentive to continue with its policy. It’s headed ‘Relax, we’ve got you covered’ and states ‘As a welcome, we’ve also added a whole year’s worth of rewards to your [Rewards] account. Your rewards are ready to use towards a discount on your next [certain manufacturers] appliance.’ I can understand why the welcome letter would have led Ms J to believe that the points could be redeemed, whether or not she had a live policy with D&G. Due to the clear terms of the policy however, I don’t uphold Ms J’s complaint on the substantive complaint point, but I consider that D&G’s correspondence should make it clearer that rewards only apply when there is a live policy.

As for D&G taking a premium payment in December 2022, again on a provisional basis, I can’t say that D&G acted in an unfair or unreasonable manner. Ms J had been sent a letter to renew her policy in December 2022. The letter clearly states, ‘You’re paying monthly by Direct Debit for as long as you need the policy.’ In the terms and conditions of the policy, it then states, ‘If you cancel your policy after the cooling off period, your policy will remain in place until the end of the period for which you have already paid and you will not receive any refund’. Again, I have some sympathy for Ms J, as she hadn’t received delivery of her replacement washing machine at this point. Unfortunately for Ms J however, the wording is clear, and Ms J chose to continue with the policy despite the delivery problems. In the circumstances, I don’t uphold this aspect of Ms J’s complaint.

Finally, as to the service issues over delivery of her replacement washer dryer, I can see that Ms J experienced considerable difficulties. D&G’s case notes show that there had been avoidable delays and communication failures in delivering the replacement. I also note that Ms J spent a considerable amount of time trying to chase this aspect of her complaint (as well as the other complaints above which haven’t been upheld). I appreciate that this will have caused considerable frustration over the Christmas and New Year period. In the circumstances, and on a provisional basis, I consider that D&G should have replaced the washing machine sooner and that its communication and service here was inadequate. It’s also most unfortunate that Ms J had to spend time chasing the issue on a number of occasions. I therefore consider that it should pay Ms J an additional £200 in compensation for the distress and inconvenience caused in this respect.’

In my provisional decision, I asked both D&G and Ms J if they had any further comments or evidence that they would like me to consider before I made a 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.

Whilst Ms J has corresponded further in relation to the separate complaint reference, neither Ms J nor D&G have provided any specific comments or evidence in response to the provisional decision issued on 1 December 2023.

In all the circumstances, I’ve concluded that the provisional decision provides a fair and reasonable outcome to the matter, and I partially uphold Ms J’s complaint as follows.

My final decision

For the reasons given above, I partially uphold Ms J's complaint and require Domestic & General Insurance Plc to pay £200 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 19 February 2024.

Claire Jones
Ombudsman