

The complaint

Mrs S complains about DG General Insurance Limited (DG), regarding a claim under her mobile phone insurance policy for damage to her phone.

DG uses agents to administer and provide services under the policy, as well as to deal with claims and complaints. Reference to DG in this decision includes those agents.

What happened

The following is a summary of what happened in this case, Mrs S and DG are aware of the detailed sequence of events, including the contact points between Mrs S and DG.

Mrs S had a device insurance policy with DG, providing breakdown and accidental damage cover for eight different mobile phone, laptop, TV and tablet devices, for which she paid a monthly premium of £25.58.

In September 2023 Mrs S's mobile phone was accidentally damaged. She contacted DG on 16 September to report the damage and make a claim. DG arranged for a 'doorstep exchange' for 19 September whereby a courier would collect the damaged phone and deliver a new, refurbished or remanufactured phone in exchange. However, this didn't happen as the replacement device wasn't in stock with the supplier.

Mrs S complained to DG, who upheld the complaint. In their final response they acknowledged the expected exchange on 19 September didn't go ahead. Because the replacement phone was out of stock at the supplier, DG referred the exchange to a second supplier and said a new exchange was scheduled for 22 September. DG apologised for the delay and refunded a month's premium as compensation for the delay (£25.58).

An exchange delivery took place on 24 September, but Mrs S wasn't happy with the replacement phone provided as it was a refurbished phone, not a new phone (she said her daughter had been provided with a new phone on a previous occasion). And it didn't have the same specification as her phone. So, she wouldn't accept the replacement phone.

The exchange was then referred back to the original supplier (on 3 October as recorded in DG's case notes), who didn't have available stock, so was re-referred back to the second supplier (9 October in DG case notes). Eventually a new, replacement phone was delivered to Mrs S on 17 October.

Unhappy at the delays and what happened, Mrs S again complained to DG. In a second final response, DG said Mrs S wasn't happy with a 5G replacement phone (she couldn't access 5G in her area) and the claim was subsequently cancelled. They referred to the first complaint and final response and the compensation awarded.

Mrs S then complained to this Service as she wasn't happy at what had happened and with DG's response and the compensation they'd offered.

Our investigator upheld the complaint, concluding DG should pay a further £100 compensation to Mrs S, in addition to the £25.58 they'd already paid. Mrs S had said she was disabled and relied heavily on her phone. The delays and service provided by DG had caused additional stress and inconvenience to Mrs S to an already stressful situation.

DG accepted the investigator's view, but Mrs S disagreed and requested an ombudsman review the complaint. She'd experienced a month of delays and having to spend days at home expecting a phone to be delivered, which didn't happen. Being disabled meant she was more dependent on her phone and the delays had also affected her daughter, who missed a hospital appointment.

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'd first want to acknowledge what Mrs S has told us about her being disabled, as well as the circumstances of her family and their disability. I recognise the impact that being disabled can have and the importance of having mobile phone access. I've borne this in mind when, as is my role here, deciding whether DG have acted fairly towards Mrs S.

The key issue in Mrs S's complaint is whether DG acted fairly in how they responded to her claim for the damage to her phone. Mrs S says there were delays in her receiving a suitable replacement phone, causing her stress and inconvenience. DG acknowledge the initial delay and further delays due to stock issues at their suppliers and awarded £25.58 compensation. DG also believe Mrs S had access to another mobile phone.

In considering the complaint, I've carefully considered the views of both Mrs S and DG, together with the supporting information and evidence they've provided.

Looking at the sequence of events set out above, it's clear (and acknowledged by DG) there was a delay in providing Mrs S with a suitable replacement phone. Mrs S first reported damage to her phone on 16 September, but the phone wasn't finally replaced with a suitable device until 17 October.

Looking at the sequence of events, there were stock issues with the suppliers engaged by DG to replace Mrs S's phone, and the exchange was switched between alternative suppliers on more than one occasion. While stock issues can arise and can't be held to be the direct responsibility of DG, their suppliers act as agents of DG in fulfilling the requirements of the policy – in this case arranging a 'doorstop exchange' of Mrs S's damaged phone for a replacement phone.

One of the issues in what happened was Mrs S not being happy with a refurbished phone when it was initially provided as part of the exchange on 24 September. She referred to her daughter receiving a new phone when hers had to be replaced. I've thought about this, but I don't think it was unreasonable for DG to have initially provided a refurbished replacement phone – because that's what the policy provides for.

Looking at the policy, regarding replacement mobile phones the following terms and conditions are set out (under a heading **6. Replacements**):

"Any replacement item provided will be (at our discretion) one of the following: new, remanufactured or refurbished...All replacements will be of the same or similar make and technical specification as your original covered device...we cannot guarantee

that a replacement will be the same make, model or colour as your original covered device.”

What this makes clear is that a replacement can be one of the three different types set out, which includes a refurbished device. And its DG's choice as to which of the three types are provided. So, even if Mrs S's daughter was provided with new phone in her case, it doesn't mean DG would have to provide a new phone in Mrs S's case.

So, I've concluded DG didn't act unfairly in initially providing a refurbished phone, as this is provided for in the terms and conditions of the policy. Mrs S rejecting the phone would have meant having to arrange a further exchange (replacement), which I've then considered.

Coming back to the sequence of events and listening to the calls between Mrs S and DG, and those between DG and their supplier(s) I can see there were issues with a replacement phone being provided, orders don't appear to have been placed or cancelled, and the wrong phone model details weren't provided to the supplier(s). All of which led to avoidable delays, causing distress, frustration and inconvenience to Mrs S, which is evident in her calls to DG. And while Mrs S may have had access to other devices, as DG has said, this doesn't change the fact she was without a phone for a month.

So, I've concluded DG haven't acted fairly or reasonably towards Mrs S because of the avoidable delays in replacing her phone.

Having reached these conclusions, I've thought about what DG should do to put things right. They awarded £25.58 compensation for the initial delay in providing a replacement phone in September 2023. But they didn't make any further compensation in their second final response. Given what happened and my conclusions, I don't think that fair or reasonable.

I've thought about this in the context of the published guidelines published by this Service on compensation for distress and inconvenience. I think Mrs S has suffered stress from what happened, and she had to call on several occasions to find out what was happening. Scheduled exchanges didn't happen and took a month to finally resolve matters. Taking all the circumstances of the case into account, I think an additional £100 compensation (on top of the £25.58 already made by DG) would be fair and reasonable.

My final decision

For the reasons set out above, it's my final decision to uphold Mrs S's complaint. I require Domestic & General Insurance Plc to:

- Pay Mrs S £100 in compensation for distress and inconvenience (in addition to the £25.58 they've already paid).

Domestic & General Insurance Plc must pay the compensation within 28 days of the date on which we tell them Mrs S 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 Ms S to accept or reject my decision before 6 March 2024.

Paul King
Ombudsman