

The complaint

Mrs S complains about how Domestic & General Insurance Plc (D&G) dealt with her household appliance insurance claim.

What happened

Mrs S had household appliance insurance for her washing machine, insured by D&G. On 15 January 2024 she called D&G to make a claim as the washing machine was leaking. Mrs S told D&G that she needed to use her washing machine every day as her husband was housebound and incontinent.

D&G said Mrs S could claim on her insurance but the earliest its engineer could visit was 26 January 2024, eleven days later. It asked if that was too long given her situation and Mrs S said it was. D&G looked to arrange another engineer, not from the manufacturer, but the earliest appointment was 23 January 2024. Mrs S said she couldn't last without a washing machine until then and this was an emergency.

D&G apologised that it had no emergency repair facilities. It said Mrs S could use the pay and claim option which meant she'd arrange for a plumber or engineer to carry out the repair and send the invoice to D&G. Mrs S confirmed she wanted that option and D&G said when she had found a plumber/engineer she should call it to get more information about payment. Mrs S asked what she would need to do if her washing machine couldn't be repaired. D&G told her the plumber/engineer would need to do a report saying whether the fault was repairable and send it to D&G to assess. Because of Mrs S' vulnerability it would prioritise assessing the report and if a new washing machine was needed it would send her a link to choose one.

On 25 January 2024 Mrs S called D&G to say she'd bought a new washing machine and wanted D&G to pay the cost.

D&G wouldn't pay for the new washing machine. It said it had no engineer's report to show Mrs S' original washing machine wasn't repairable so the cost of the new appliance wasn't covered under the policy terms. As a goodwill gesture it refunded to Mrs S the premiums paid for the policy year's cover, £70.40.

Mrs S complained to us. She said her builder looked at her original washing machine and said it wasn't repairable. She didn't think D&G had taken into account her and her husband's vulnerability when offering its engineer's appointment dates or that she couldn't be without a washing machine.

Our Investigator said that D&G reasonably declined to pay the cost of the new washing machine but it could have offered Mrs S extra support as it had been made aware of the household's vulnerability early in the claim. She recommended D&G pay Mrs S £150 compensation for the distress and inconvenience it caused given Mrs S' vulnerability in addition to the refunded premiums.

D&G accepted our Investigator's recommendation. Mrs S didn't accept and wants an Ombudsman's decision. In summary she added that:

- She was sold insurance that was useless for her needs and D&G should have had a fast track service for assessing and repairing/replacing vulnerable households' washing machines.
- D&G's pay and claim option was no better than sending its engineer in terms of the length of time it would have taken to resolve the situation. It must have known the delay meant she would be forced to buy a washing machine which it could avoid paying for. She had to find a solution to the problem, there was no time to tell D&G she had to buy a new washing machine.
- She considered D&G were making money out of vulnerable people and it should review its policy.

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.

Mrs S has recently raised that she believes this policy was unsuitable for her needs. If Mrs S wishes to make a complaint that the policy was been mis-sold she'll need to make a separate complaint to the business that sold her the policy. Ultimately if agreement couldn't be reached about the alleged mis-sale then Mrs S could complain to us. But I think it's fair for me to tell Mrs S that if we did think the policy was mis-sold it's likely the remedy would be for the insurer to repay the policy premium, which D&G has already done as a goodwill gesture.

I can't require D&G to change its internal policies so that it has an engineer available for emergency requests. It's for a business to decide how to run its business, although it should take into account the regulator's, the Financial Conduct Authority's (FCA), guidance that I've referred to below.

My decision is about how D&G dealt with Mrs S' claim. The regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

The policy covers breakdown and accidental damage to the washing machine. The policy terms include:

'What this policy covers

Breakdown (after the manufacturer's guarantee)

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

Repairs

...If we authorise a repair but are unable to find a repairer, we'll permit you to use your chosen repairer. You will have to pay them and claim the cost back from us. Please keep a copy of your invoice to send to us. If we permit you to use your chosen repairer and the proposed repair is estimated to cost more than the repair authority limit: £150.00, then you must ring the repair authority line ...before work starts.

Replacements

In some situations we will arrange to replace your product instead of repairing it (for example where we cannot repair it or we decide that it is uneconomical for us to repair your product). In these circumstances, we will arrange to replace your product with one of a same or similar make and technical specification'.

I think D&G acted in line with its policy terms. As its engineers couldn't attend Mrs S' home in reasonable time D&G gave her the alternative of arranging a plumber/engineer to assess and report on the problem so it could decide if a new washing machine was required. As Mrs S didn't arrange a repairer, and bought a new washing machine, D&G had no evidence that her original washing wasn't repairable. So under the policy terms it didn't have to pay for the new washing machine.

But I also need to decide what's fair and reasonable in all the circumstances. In considering what's fair and reasonable, I need to have regard to the relevant law, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time. Those include the Consumer Duty requirements and, due to the circumstances in this case, the FCA's guidance for firms on the fair treatment of vulnerable customers. In summary the guidance emphasises that businesses should respond flexibly to the needs of customers with characteristics of vulnerability. I think Mrs S is vulnerable because of her caring responsibilities due to her husband's health problem.

The guidance and Consumer Duty requirements don't necessarily mean that an insurer has to pay a claim where the consumer is vulnerable. I've thought carefully about whether it would be fair and reasonable for me to require D&G to pay for the new washing machine. I've listened to the call when Mrs S made the claim and I've summarised the main points above. Mrs S told D&G at the start of the call why it was so important for her to have a working washing machine. I think generally D&G showed that it understood Mrs S' difficult situation.

D&G recognised that the timescale for its engineers to attend wasn't going to help Mrs S in her situation. I think it reasonably suggested the pay and claim option as the way forward. Mrs S told us that D&G must have known the pay and claim option was no better than having its engineer in terms of the time it would have taken to resolve the situation. But the claim call ended with Mrs S telling D&G that she'd arrange for someone to look at the washing machine the next day (16 January 2024). D&G had told Mrs S her plumber/engineer's report would be assessed faster than the typical two working days as her claim had been flagged as a priority. So on the discussed timescale I don't think D&G would have reasonably known that the agreed pay and claim option would mean an unreasonable delay.

Mrs S didn't get a plumber/engineer to assess whether her washing machine could be repaired. I've seen no evidence that Mrs S tried, but was unable, to get a plumber/engineer to attend in a reasonable timescale or that she told D&G she couldn't get a plumber/engineer.

Instead Mrs S ordered a new washing machine. The receipt Mrs S sent us shows she ordered the new appliance on 15 January 2024, the same day as her call with D&G. The 'Thanks for your order' email to Mrs S from the supplier was sent on 15 January 2024 at 17:40. It's not clear what time Mrs S called D&G. My decision is made on the basis that she ordered the washing machine after her call to D&G, which I think is most likely.

The supplier's order confirmation email says the new washing machine would be delivered to Mrs S on 17 January 2024, two days after the order. I understand why ordering a new washing machine was Mrs S' preference as it minimised the time she'd be without a washing machine. But I think D&G reasonably required evidence that her original washing machine wasn't repairable before it agreed to replace the machine with one the same or similar make and technical specification. Mrs S told us her builder looked at her washing machine and said it wasn't fixable. But there's no evidence that her builder was qualified to make that assessment, and even if s/he was, I've seen no evidence of the builder's assessment.

Overall I think D&G's decision not to pay for Mrs S' replacement washing machine was fair and reasonable.

Our Investigator recommended D&G pay Mrs S £150 compensation for her distress and inconvenience as it couldn't provide an engineer to assess her washing machine in reasonable time, taking into account the specific circumstances of this case. D&G accepted that recommendation. I think £150 is a reasonable amount to compensate Mrs S for her distress and inconvenience it caused in these specific circumstances, in addition to the policy premium refund it's already paid as a goodwill gesture. I partly uphold this complaint.

My final decision

I partly uphold this complaint and require Domestic & General Insurance Plc to pay Mrs S £150 compensation for her distress and inconvenience it caused, as it's now agreed.

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

Nicola Sisk
Ombudsman