

The complaint

Miss S has complained that UK Warranty Limited trading as Pacifica Warranty mis-sold a household warranty policy to her.

What happened

Miss S bought a household warranty policy over the phone with UK Warranty Limited in December 2023.

Miss S made a claim as her fridge freezer was damaged. It wasn't repairable, so Miss S was expecting a replacement. But UK Warranty said the policy it had sold to her didn't provide this option.

UK Warranty upheld Miss S's complaint and accepts it provided incorrect information to Miss S, so the policy was mis-sold to her. For the distress and inconvenience caused, it paid her £50 compensation.

Miss S asked us to look at her complaint. She said she had waited six weeks from making her claim to discover she would have to buy a replacement fridge freezer. She was without a workable appliance over the Christmas period which had a significant impact on her and her family's enjoyment. If UK Warranty had acted correctly, she would have been able to purchase a fridge/freezer much sooner. So she wanted UK Warranty to meet the costs of a replacement fridge/freezer.

Our Investigator explained that if UK Warranty hadn't mis-sold a policy to Miss S, she would have still been responsible for paying for a replacement appliance. So she didn't recommend UK Warranty meet the costs to replace the fridge/freezer. But she didn't think the compensation paid reflected the distress and inconvenience caused by UK Warranty's error. So she recommended it increase the compensation by £300, so a total award of £350.

Miss S accepted the Investigator's findings. UK Warranty didn't respond. So the case has been passed to me to decide.

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.

It isn't in dispute that UK Warranty mis-sold the policy to Miss S. So the remaining issue is whether it did enough to put things right.

I agree with the Investigator's recommendation as a fair and reasonable outcome to this complaint. Miss S explained that she waited six weeks on the understanding that if her appliance couldn't be repaired, the policy covered the costs to replace it. Miss S said that over Christmas and New Year, her family had to live without use of a fridge freezer – so were eating takeaways and “junk food” at what should have been a special time of year.

Visits that were booked for an engineer to attend were cancelled, which caused delay.

So I think a fairer compensation award for the distress and inconvenience caused by UK Warranty's error is £350. This means UK Warranty should pay a further £300 to Miss S.

My final decision

My final decision is that I uphold this complaint. I require UK Warranty Limited trading as Pacifica Warranty to do the following:

- Pay Miss S £300 compensation in addition to the £50 it's already paid, making the total award £350.

UK Warranty Limited trading as Pacifica Warranty must pay the compensation within 28 days of the date on which we tell it Miss S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 10 July 2024.

Geraldine Newbold
Ombudsman