

The complaint

Mr M complains about Domestic & General Insurance Plc's (D&G) handling of his claim for a faulty coffee machine, under his household warranty insurance policy.

What happened

Mr M's coffee machine developed a fault making it unusable. He contacted D&G to make a claim. He says the business didn't have an engineer who could fix the fault. He was told he could arrange a repair himself. But Mr M says he couldn't find an engineer who could do the work. He contacted D&G again and says a replacement was discussed. But this didn't happen. Eventually Mr M says D&G told him it would have to cancel his policy and refund the premiums.

In its final complaint response D&G says it was unable to appoint its own engineer. It confirms Mr M had the option of arranging a repair and claiming the money back. Alternatively D&G says it could cancel the plan and refund all premiums.

Mr M didn't think D&G treated him fairly. He says he wants it to either arrange a repair, replace his machine, or provide a payment so he can buy an equivalent. Because D&G didn't agree to this he referred the matter to our service.

Our investigator didn't uphold his complaint. He says D&G followed its policy terms correctly when informing Mr M he could arrange his own repair. He didn't think D&G needed to provide a replacement coffee machine. He says it hadn't been shown that the machine was unrepairable. In these circumstances he thought it was fair for D&G to offer the alternative of cancelling the plan and refunding all premiums.

Mr M disagreed and asked for an ombudsman to consider his complaint.

It 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.

Having done so I'm not upholding Mr M's complaint. Let me explain.

Mr M expects D&G to arrange a repair or provide a replacement or cash settlement for his coffee machine. I've thought carefully if what it has offered is fair and reasonable when considering the terms of his policy.

Mr M's policy terms say that D&G can arrange a repair by one of its approved engineers. Alternatively, if it can't find an engineer Mr M can appoint an engineer to carry out the repairs. The terms say he can claim up to £150 for the work. If it will cost any more than this, permission can be requested by calling D&G. I think these terms are clearly written. If a repair can't be arranged by D&G I don't think it's unreasonable that the policy then covers

the customer's costs in arranging this.

The policy terms refer to some situations in which a replacement will be provided. The example given is where D&G cannot repair the appliance, or it considers it uneconomical to attempt a repair.

In this case D&G couldn't send an approved engineer to repair Mr M's coffee machine. So, the next step was for Mr M to appoint an engineer and claim the cost back. I've thought about his comments that he couldn't find an engineer to repair his machine. Also, D&G's comments that Mr M lives close to a major city that should reasonably mean there is a repair shop able to repair coffee machines.

I think D&G makes a reasonable point. I don't disbelieve Mr M's account that he couldn't initially find a repairer. But he has since confirmed that he has found an engineer to repair his coffee machine. From looking online there are repair companies advertising their services in and around when Mr M lives. I can understand his frustration that D&G didn't arrange for an engineer to fix his machine. This meant he had to spend time contacting the business, and in trying to find a repairer. But I must consider the cover his policy provides. I don't think a replacement is something D&G should've offered here. It hadn't been shown that the machine was beyond repair. In these circumstances I think it was fair that D&G offered for Mr M to arrange a repair and then claim the costs back via his policy.

I've thought about Mr M's comments that he was misadvised that a replacement would be provided by D&G. But I can't see that this was confirmed. As discussed it's not something required by his policy in these circumstances. I can see D&G wrote to Mr M the day after he reported the issue. It says it was unable to appoint an engineer and Mr M can use its 'pay and claim' option to arrange his own engineer. The letter says this can be up to £200. It doesn't refer to a replacement.

I've listened to a call recording Mr M provided from 4 April 2024. D&G's agent briefly mentions replacement during this call. But this is in the context of the matter being considered by its resolutions team. From what I heard there was no agreement or clear indication that a replacement would be provided for Mr M's coffee machine. I can see the claim records from 3 April say Mr M was informed that the last resort would be cancellation of the plan and a refund of premiums. Based on the evidence provided, I can't reasonably say that Mr M was given misleading information about his claim.

I'm sorry Mr M's coffee machine developed a fault and for the inconvenience this caused. But having considered the evidence I don't think D&G behaved unreasonably in handling the claim in the way it did. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 November 2024.

Mike Waldron
Ombudsman