

The complaint

Mr D has complained that Domestic & General Insurance Plc (“D&G”) declined a claim he made under his appliance insurance 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.

Our investigator didn’t think D&G had acted fairly. I agree, and for the same reasons, so I don’t think there’s a benefit for me to go over everything again in detail. Instead, I’ll summarise the main points:

- Mr D bought an appliance insurance policy for his oven, underwritten by D&G.
- Three days later, he made a claim for his oven. D&G appointed an engineer to inspect it. They said a repair wasn’t possible due to corrosion. As a result, D&G declined the claim and cancelled the policy.
- Mr D disputed that there was corrosion and complained, but D&G maintained its position. He asked for evidence of the engineer’s findings and was told all D&G had available was notes which said: *“Back panel completely corroded unable to secure panel element and fan. No repair possible”*.
- The policy covers breakdown or accidental damage, subject to a number of terms and conditions. The term D&G has relied on says, in summary, that any loss or damage caused by corrosion isn’t covered. So it seems to accept there was breakdown or accidental damage and the question is simply whether it would be fair for D&G to decline the claim by relying on the corrosion policy term.
- Our investigator noted the sentence quoted above was the only evidence D&G had presented – there were no photos or further explanation to support its position. And despite Mr D raising a complaint and referring it to this Service, D&G hadn’t taken steps to gather any further evidence. In these circumstances, she wasn’t persuaded D&G had shown it would be fair to decline the claim.
- In response, D&G said the oven was ‘clearly’ damaged before the policy was setup as corrosion significant enough to prevent a repair wouldn’t happen within a matter of days. However, as our investigator has explained, the evidence D&G has provided to supports its position is extremely limited. Despite an engineer inspecting the oven, there are no photos to show there’s corrosion – or, if there is, that it caused the loss or damage. D&G is essentially asking Mr D, and this Service, to accept his claim can fairly be declined on the strength of a single sentence. And that sentence doesn’t say the loss or damage was caused by corrosion. So D&G simply hasn’t shown it would be fair to rely on the term to decline the claim. It had plenty of opportunity to gather and provide more evidence, but hasn’t done so.

- To put things right, D&G should reinstate the policy and accept the claim, subject to the remaining terms and conditions of the policy. It should also pay £100 compensation for the distress and inconvenience caused to Mr D.

My final decision

I uphold this complaint.

I require Domestic & General Insurance Plc to:

- Reinstatement the policy.
- Accept the claim, subject to the remaining terms and conditions of the policy.
- Pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 September 2024.

James Neville
Ombudsman