

## **The complaint**

Miss J has complained about how she has been charged by Domestic and General Insurance Plc (D&G) for insurance when she bought two iPads and the level of cover provided.

## **What happened**

Miss J bought two iPads from Argos on 1 December 2017. When she did so, she took out insurance for them with an Argos Protection Policy provided by D&G. She says she was told that this offered a “no quibble” replacement.

Around November 2022, one of the iPads was dropped and broke so she contacted D&G. Miss J says she expected the iPad to be replaced. Instead, she was told that her broken iPad would be repaired and returned to her. Miss J was unhappy as she expected it to be replaced.

At the same time, when she'd found the details of her policy to get her iPad replaced, she noticed that she was being charged a different premium for each iPad when she says they were identical. At that time there was a price difference of .37p a month between the two policies.

When the broken iPad was returned to her about three weeks later, Miss J then set about trying to speak to someone at D&G about the difference in premiums she noticed she was being charged for the two iPads. This proved to be a very long drawn out and frustrating experience that took almost a year during which time the price differential between the policies widened as a new policy year started in January 2023. She received a final response from D&G in December 2023.

Miss J maintains that she was mis-sold the policies. She says that they were sold to her as full replacement policies and not repair policies which is what she received. She says she could've got insurance cover elsewhere much cheaper. She's pointed out that she could get insurance now for a brand-new iPad for £5.89 a month from the manufacturer and wonders why her older models would have such price increases. She cancelled both policies on 8 February 2024.

Miss J accepts that she is at fault for not looking at the policies at the time she took them out, nor noticing on renewal invitations and bank statements that there was a difference in premiums between the two devices.

Miss J wants to be reimbursed for the premiums she's paid. Even having cancelled her policies, she says she continues to receive renewal invitations from D&G which still show a difference in the monthly cost for the two iPads.

D&G has confirmed that the iPads were identical but there was a difference in premium. It has said that on some occasions a discounted rate can be offered for further appliances when taking out cover which may explain the price difference. However due to the time

between the set up of the policies in 2018 and Miss J's complaint, it couldn't confirm what offer might've been available at the time she took out the policies.

It's pointed out to her that policy and renewal documents had been sent to her annually confirming the renewal price for each iPad and she had the option to call and cancel at any time if she wasn't happy to continue cover at the offered price. She could've cancelled the policies at any time if she'd found alternative cover elsewhere. It didn't agree to refund her premiums.

Miss J wasn't satisfied with D&G's response to her complaints, so she brought them to this service.

Our investigator sought further information from D&G. It investigated and responded by confirming that Miss J originally paid £7.29 a month for both devices and that the premiums remained at that price until Miss J made a claim. The premium for the broken device then increased to a cap of £16 a month and the premium for the other increased to £15.70 in 2024. It said that because of the claim she had made, one of the policies increased faster than the other

Our investigator's view was that D&G had made clear what Miss J's premiums would be each year and it was open to her to cancel her policy at any time and take out cover elsewhere if she was unhappy with her cover or the premiums she was being charged for each device. He concluded that D&G hadn't acted unfairly or unreasonably.

As Miss J doesn't agree with our investigator's view, her complaint has been passed to me for a final decision from this service.

### **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 going to uphold Miss J's complaints and I'll explain why.

I've considered the information provided by D&G. In its final response to Miss J it has said that there was a possibility that a discount was applied to the premium for the second iPad, which it wasn't able to confirm. However as the two policies started off with the same monthly premium of £7.29 for the first three years, from 3 January 2018 to 2 January 2021, I think this is an unlikely explanation so I'm discounting it.

I don't have any premium information for policy year 3 January 2021 – 2 January 2022, but I've looked at the evidence of premiums charged from 3 January 2022 taken from the annual renewal notices issued to Miss J. These are as set out below for the two policies, one ending in 675 (the one on which a claim was made in November 2022) and the other ending in 682:

<b>Policy year</b>	<b>675</b>	<b>682</b>
3/1/18 – 2/1/21	£7.29	£7.29
3/1/21 – 2/1/22	?	?
3/1/22 – 2/1/23	£11.90	£11.53
3/1/23 – 2/1/24	£16	£12.97
3/1/24 – 2/1/25	£16	£15.70

I asked for further information from D&G. It explained that with all the hundreds of thousands of policies that renew each month, not all pricing updates happen at the same time and it can happen that two policies in the same household will have price increases applied at

different times although it tries to ensure that this doesn't happen. This might account for the small difference in premiums in policy year 3 January 2022 – 2 January 2023.

D&G has said that the fact that Miss J made a claim on policy 675 in November 2022 was the reason why the premium on policy 675 increased to a cap of £16 on 3 January 2023. The premium for policy 682 is rising towards this cap more slowly.

Miss J has compared the cost for her insurance with D&G to what she would pay elsewhere for a new iPad and wonders why it costs more to insure an older device.

This service cannot tell insurers how to price their policies to cover the risks that those policies cover. As a general rule, premiums increase to reflect an increase in risk. That is often a reflection on the age of an item. Premiums also tend to increase if there has been a previous claim. The amount of that increase is a commercial matter for the insurer. We cannot tell an insurer it is charging too much.

My conclusion in relation to Miss J's complaint about the difference in premiums between her two policies is that D&G hasn't done anything substantially wrong and hasn't acted unfairly or unreasonably towards Miss J. It's clarified why there is a difference in premium between the two policies, although it could've made this clearer in its final response to her. Miss J was advised each year in her renewal invitations what her premiums were going to be for the next policy year. She had the option each year not to renew either or both policies if she wanted to insure for less with another insurer. She also had the option to cancel her policies at any time.

I've also considered Miss J's complaint that her iPad was repaired and not replaced when she says she was told that it was a "no quibble" replacement policy. I can't comment on what she may have been told by Argos staff and I'm not in a position to make a finding against Argos. I can only consider whether D&G as the insurer has acted fairly and reasonably.

I can't say that D&G has acted unfairly or unreasonably towards Miss J in repairing her broken iPad rather than giving her a replacement because that is what the policy says it will do. It's clear from the policy itself, which is sent with each renewal invitations, that in the case of accidental damage, it is in D&G's option whether "*to arrange a repair, arrange a replacement or pay the cost of replacing your product in vouchers*".

Miss J had the opportunity to check her policy when she first received a copy and could've cancelled it within the 45 day "cooling off" period and received a refund of premium paid. She could have also cancelled it at any other time if she'd noticed that it was an "attempt repair first before replacement" policy.

I also don't consider that D&G has acted unreasonably in not refunding premiums to Miss J in the circumstances. She has had the benefit of cover since 2018 and has made a claim under one of the policies so has benefitted from this policy in particular.

## **My final decision**

For the reasons I've given above, I'm not upholding Miss J's complaints.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 26 November 2024.

Nigel Bremner  
**Ombudsman**