

The complaint

Ms B has complained about the premiums charged by Domestic & General Insurance Plc (“D&G”) in relation an appliance insurance policy.

What happened

The circumstances aren’t in dispute, so I’ll summarise the main points:

- In 2002, Ms B took out an insurance policy with D&G to cover a number of appliances. It automatically renewed annually with Ms B paying by direct debit.
- The appliances were located at a property (Address 1) and initially the renewal documentation was sent to another property (Address 2), where I understand Ms B’s mother lived until she passed away. After that, all documentation has been addressed to Ms B, at Address 1. Ms B lives elsewhere (Address 3). Ms B rented Address 1 to tenants throughout.
- In 2023, Ms B got in touch with D&G. She said, in summary:
 - She hadn’t realised the policy was still active and she’d been paying for it.
 - Although her tenants reliably passed post to her, she hadn’t received any renewal documentation from D&G.
 - The policy may have been cancelled at some point.
 - She asked for a refund of the premiums she’d paid.
- D&G said Ms B had last used the policy in 2014 when one of the appliances was repaired. And it had sent renewal documentation to Address 1, the only address it had on its system, every year. It also said Ms B ought to have been aware the policy remained in place because of the direct debit she’d been paying. As a gesture of goodwill, D&G refunded the last 12 months of premiums, around £285.
- Ms B didn’t think this was fair and referred her complaint to this Service. She said all of the appliances had been replaced during or before 2017, and were likely too old to be covered by then, so she couldn’t have benefitted from the policy after that time.
- Our investigator thought D&G had acted fairly and didn’t ask it to do anything further.
- Ms B disagreed and asked for the complaint to be referred to an Ombudsman.

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.

- D&G has shown it sent correspondence to Address 1 each year since 2020. Whilst Ms B says her tenants haven’t received it and passed it to her, D&G is only required

to show it sent the correspondence to the correct address – and it's met that requirement for recent years.

- It seems likely the correspondence address was changed from Address 2 to Address 1 at some point – and that may have contributed to the problem. But given how long ago the policy was sold, and the address was likely changed, I wouldn't expect D&G to still have records from that time to show what happened. As a result, it's simply unknown what Ms B and/or her late mother asked D&G to do – and whether it fulfilled those instructions. Ultimately, the renewal documents were sent to Address 1, where the appliances were located, which isn't unreasonable. So I don't think it would be fair to hold D&G responsible for any problem with the correspondence address.
- The direct debit has been charged monthly, so Ms B had the opportunity to be aware she was still paying for the policy – even if she didn't receive the correspondence. And if she didn't think she had a D&G policy, I think a monthly payment to D&G from her account would likely have alerted her to a potential problem.
- There's no evidence to suggest Ms B asked D&G to cancel the policy, prior to her getting in touch in September 2023 – when it was cancelled.
- For the reasons above, I'm satisfied D&G has acted fairly in relation to the administration of the policy. So, ordinarily, I wouldn't require it to take any action.
- However, Ms B says she replaced all of the insured appliances during or before 2017. D&G has pointed out there's no evidence to support that. I agree, and that does leave an element of uncertainty. However, given their likely age by that time, I think it's fair to accept they were likely to have been replaced around that time. Perhaps some were a bit before, and others a bit after. But, broadly speaking, I'm persuaded they were likely replaced around that time. And, as that was around seven years ago, it would be hard for Ms B to evidence that now.
- That means Ms B was paying for a policy she likely couldn't have benefitted from in recent years – and I'm not satisfied that's a fair position for her to be in. However, I don't think D&G had any reason to be aware of that, so I'm satisfied it renewed the policy, and charged the direct debit, in good faith.
- Overall, I'm satisfied D&G has administered the policy fairly – and Ms B had the opportunity to cancel the policy sooner if she wanted to. But I'm also satisfied it's unlikely Ms B could have benefitted from the policy in recent years. In these circumstances, I consider the fair and reasonable outcome is a pragmatic compromise – for D&G to refund 50% of the premiums paid since 2017. As D&G administered the policy fairly, and in good faith, I'm not persuaded it should pay any interest or compensation.
- D&G has already paid around £285 – and that would leave a further £450 to refund. As a result, I'm going to require D&G to pay this remaining amount.

My final decision

I uphold this complaint.

I require Domestic & General Insurance Plc to pay £450.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or

reject my decision before 16 October 2024.

James Neville
Ombudsman