

## The complaint

Mr B is unhappy with how Evolution Insurance Company Limited (Evolution) handled a claim made under his household warranty policy.

## What happened

In July 2024, Mr B contacted Evolution because his fridge freezer stopped working. Evolution arranged for an engineer to attend. Mr B says they carried out a very quick inspection and he didn't think the engineer identified coolant leakage which meant relevant repairs weren't carried out as a result. Evolution said the fridge freezer had an internal leak and couldn't be repaired.

Evolution said as Mr B's policy started less than six months ago and the fridge freezer was beyond repair, his claim wouldn't be covered. Unhappy with this, Mr B complained but Evolution didn't change their decision.

Having purchased a new fridge freezer, Mr B referred his concerns to the Financial Ombudsman Service. He said he took the policy out having considered the information available on the Insurance Product Information Document (IPID) which said a voucher contribution would be given towards replacement appliances. Our investigator upheld Mr B's complaint. She didn't consider Evolution had fairly considered Mr B's claim and said it should cash settle his claim, subject to the remaining policy terms.

Mr B accepted this conclusion, but Evolution didn't agree. They said the policy terms were clear and available to Mr B. So, this 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.

In the first instance, I think it's helpful to set out the policy term Evolution is seeking to rely on:

### ***“Appliance Replacement***

***If we cannot **repair** your **appliance** or we've assessed that your **appliance** is **beyond economic repair**, and you have been continuously covered by us for at least 6 months, we will provide vouchers, to a maximum value of £1,000, as a contribution towards a replacement.”***

Mr B bought this policy to cover one appliance in his home and needed to claim on it two months later. He said, having considered the summary of cover in the IPID, he was confident this policy would provide cover for the fridge freezer during the policy term. The IPID says:

***“What is insured?”***

*This is a summary of the cover and limits of your product. For full details please see the terms and conditions...*

*Voucher contributions towards a replacement appliance, subject to terms & conditions, in the event that your appliance cannot be repaired or is uneconomical to repair."*

Evolution says the relevant part of the terms and conditions are those I've quoted above. However, the IPID goes on to set out six restrictions, including the below in relation to when claims can be made:

*"Anything that happens within 30 days of receiving your agreement details."*

I appreciate the IPID is a summary of the cover offered under the policy. However, the IPID also says it's intended to be a summary of the *"key information relation to this Appliance insurance policy"*.

Mr B said he relied on the IPID as a summary of important information about the policy. I consider a policy term which sets out that no contribution will be made for an appliance that either can't be repaired or is deemed beyond economic repair for the first six months of a 12-month policy to be key information. And had this information been provided upfront, I think Mr B would likely have thought carefully about whether this policy provided the cover he was looking for. I note whilst Evolution says this term is set out in the policy wording, it's on page seven of a 13-page booklet, so more than halfway through the terms and conditions.

Whilst I need to consider the policy terms, I also need to decide what I consider to be fair and reasonable in the circumstances of this complaint. Given Mr B's intention was to provide cover for a single appliance in his home, I'm not persuaded he would have proceeded with a policy which only provided cover in some circumstances for the half of the contract term. I accept Mr B's account that he relied on the IPID when deciding to take out the policy. I consider the list of restrictions set out on the IPID was comprehensive, as it also covered how the appliance needed to be used and maximum ages of the appliance, and I can understand why he moved forward with this policy given the IPID said the key information was highlighted. And I consider the exclusion Evolution relied on when declining his claim was key information. I don't agree Evolution has fairly declined this claim.

For the reasons I've set out, I've reached the same conclusion as our investigator. As Mr B has purchased a new fridge freezer, I don't consider vouchers is an appropriate remedy here.

### **Putting things right**

To put things right, Evolution Insurance Company Limited should cash settle Mr B's claim, subject to the remaining policy terms. If Mr B can provide evidence of his replacement purchase, Evolution Insurance Company Limited should pay simple interest at 8% per annum\* from the date of purchase until the date of settlement.

\* If Evolution Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Mr B how much it's taken off. If requested, Evolution Insurance Company Limited should also provide Mr B with a certificate showing the amount deducted, so he can reclaim it from HM Revenue & Customs if appropriate.

**My final decision**

I uphold Mr B's complaint and order Evolution Insurance Company Limited to do what I've set out above in the "Putting things right" section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 March 2025.

Emma Hawkins  
**Ombudsman**