

The complaint

Miss J complains that Domestic & General Insurance Plc (D&G) didn't accept her fridge freezer insurance claim. My references to D&G include its agents.

What happened

Miss J has an insurance policy for her fridge freezer. D&G is the insurer. The policy covers breakdown and accidental damage. If the policy terms apply to a claim D&G can choose whether to repair or provide a replacement fridge freezer.

At the end of April 2023 Miss J reported a fault about her fridge freezer having a leak. At the May 2023 inspection visit D&G's engineer saw the problem with the fridge freezer was a known manufacturer's fault which needed modification. The engineer told Miss J that to be able to make the modification the fridge freezer would need to be defrosted for three days, which Miss J refused to allow.

17 months later on 11 September 2024 Miss J reported the same fault directly to the manufacturer who booked an engineer appointment. D&G's engineer attended around 15 September 2024. On inspection he said the problem was still the manufacturer's fault which required the fridge freezer to be defrosted for three days to modify, which Miss J again refused to allow.

Miss J asked D&G for a replacement fridge freezer. D&G refused and Miss J complained. She told D&G the leak from the fridge freezer had damaged the floor, she'd had about £100 of food spoiled due to the fault and she needed a working fridge freezer for her children's medication.

D&G's final response letter of 18 September 2024 to Miss J said that under the terms of the policy she had to make her fridge freezer safe to work on (by defrosting for three days). She'd refused to allow that and its engineers wouldn't do work where it wasn't safe to do so. D&G also told Miss J that the cost of her spoiled food wasn't covered by the policy. It offered Miss J the option to choose her own independent engineer to carry out the repair and D&G would pay up to £300 for the repair.

D&G paid Miss J £136 compensation as a goodwill gesture as it had wrongly asked for proof of purchase for the fridge freezer. Proof wasn't needed as it had provided the fridge freezer to settle a previous claim. But its request hadn't caused delay to its second visit. D&G said the payment was also to acknowledge Miss J was vulnerable and had vulnerable people in her home.

Miss J complained to us. In summary she said:

- Her flooring was damaged by the fridge freezer leak and now the flooring was ripped.
- She couldn't agree to defrosting the fridge freezer for three days as she needs the fridge for her children's medication.
- The first time D&G told her the fridge freezer needed defrosting she didn't do

anything further as the problem wasn't that bad but the problem got worse.

- On D&G's engineer's second visit he again told her the fridge freezer needed defrosting. When she complained D&G said it couldn't help her.
- She'd been told D&G paid her £136 to buy another fridge freezer, which isn't enough. The flooring will cost about £800 to repair. And about £150 worth of food had now been spoiled due to the freezer defrosting by itself and frosting again.
- She's had to borrow money from family and friends. She, her children and her partner had medical needs which she detailed.
- She wants a new fridge freezer from D&G, money to repair the floor and compensation as it's caused her anxiety to get worse.
- Her 'dryer' is rusting now.

During our investigation D&G told us that as the fridge freezer fault was a known manufacturer's fault, not a breakdown, the fault wasn't covered by its policy. It said the manufacturer was responsible for the modification required.

D&G also told us, in summary:

- Even if the issue had been covered by its policy (which it wasn't) then its policy didn't cover the consequential loss of the spoiled food and damage to the floor. Miss J had twice refused to agree to the fridge freezer being defrosted to enable the modification so anyway it wouldn't have been responsible for the damage that occurred. And Miss J waiting 17 months to call again about the problem made the initial damage to the flooring worse.
- It paid Miss J £136 as a goodwill gesture for the reasons I set out above. On reflection it had withdrawn the offer to pay for a repair by an independent engineer as the claim wasn't covered by its policy.
- Miss J has now made a claim for damage with the manufacturer of the fridge freezer.

Our Investigator said as Miss J's claim was being dealt with by the manufacturer of the fridge freezer we wouldn't comment on that matter further. And as D&G had only recently been made aware of the problem with the dryer Miss J would need to make a separate complaint on that matter.

For Miss J's complaint about D&G's response to the fridge freezer problem, our Investigator recommended D&G pay £150 compensation. That was to acknowledge Miss J's distress, inconvenience and not reasonably managing her expectations. D&G hadn't told Miss J at its May 2023 visit that the claim wasn't covered by the policy and she would need to contact the manufacturer about the fault.

D&G disagreed with our Investigator's recommendation and wants an Ombudsman's decision. It said when the manufacturer's engineer inspected the fridge freezer in May 2023 the manufacturer didn't tell D&G that the fridge freezer had a manufacturing defect. It didn't need to as D&G had no role in doing the manufacturer's modification. Also in September 2024 Miss J contacted the manufacturer about getting a repair so D&G had no opportunity to refer her to the manufacturer.

Our Investigator asked D&G to clarify whether in May 2023 and September 2024 the manufacturer's engineer had inspected the fridge freezer as an agent for D&G.

D&G said in 2023 and 2024 the inspections were booked under the policy. The manufacturer's engineer initially attended both inspections in their role as D&G's repair

agents. That was because it's not possible to know whether a fault is a breakdown, or a manufacturer's defect, just on a consumer's description of the fault. D&G only knew about the problem when Miss J complained to it. D&G said it had made no relevant errors and even made Miss J a goodwill payment to try to help her. D&G emphasised that regardless of whether the engineer attended on its behalf or the manufacturer's behalf Miss J refused to allow the fridge freezer to be defrosted to allow the modification to take place. It said if she had agreed the consequences wouldn't have happened.

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.

Both parties have given a lot of detail about this matter and I've only summarised their main points above. I have considered all the comments they've provided.

Our Investigator correctly explained that as Miss J's claim was being dealt with by the manufacturer of the fridge freezer we wouldn't comment on that matter further. And as D&G had only recently been made aware of the problem with the dryer Miss J will need to make a separate complaint on that matter.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. Consumer Duty, a regulatory requirement of the Financial Conduct Authority (FCA), applies to this policy from 31 July 2023 (and not before then). The FCA also gives guidance for firms on the fair treatment of vulnerable customers.

I think D&G correctly and reasonably said Miss J's claim for the fault with the fridge freezer isn't covered by its policy. Miss J's policy with D&G covers:

*"Breakdown (after the manufacturer's guarantee)
If your appliance suffers a mechanical or electrical breakdown after the end of the manufacturer's parts and labour guarantee period, we will (at our option) authorise a repair, arrange a replacement or pay the cost of a replacement appliance.*

*Accidental damage (during and after the manufacturer's guarantee)
Both during and after the end of the manufacturer's parts and labour guarantee period, if your appliance suffers accidental damage (so that the appliance is no longer in good working order), we will (at our option) authorise a repair, arrange a replacement or pay the cost of a replacement appliance".*

D&G's engineer's findings are that the problem with Miss J's fridge freezer is a known manufacturer's fault. The engineer was employed by the manufacturer so I think the engineer's evidence is persuasive.

That means the problem with the fridge freezer isn't as a result of a breakdown or accidental damage. So D&G's policy doesn't cover the fault.

That means I think D&G correctly and reasonably said it isn't responsible for the repair of the fault. And D&G doesn't have to replace the fridge freezer because of the fault. I note D&G says the manufacturer should modify the fault for free.

But I don't think D&G gave Miss J reasonable service in the circumstances of this case. I think at or soon after the May 2023 inspection it would have been reasonable for D&G, through its agent or directly, to have told Miss J that the fault wasn't covered by the policy.

D&G says the manufacturer's engineer who inspected the fridge freezer didn't tell D&G that the fault was a manufacturer's defect so it couldn't tell Miss J there was no cover under the policy. But D&G has confirmed that in 2023 and 2024 the inspections were booked under the policy and the engineer was acting as its agent, so acting on D&G's behalf. If the manufacturer didn't inform D&G about the cause of the fault that's a matter between D&G and the manufacturer. It doesn't alter that Miss J should have been told around May 2023 that the policy didn't cover her claim.

Instead, as Miss J wasn't then told by D&G or its agent that the policy didn't cover the fault she reasonably understood she'd be covered by D&G under the policy. When the problem got worse she asked D&G for a replacement fridge freezer, which it had previously provided under an earlier claim on the policy. I think her belief that the policy applied was reinforced by D&G's final response letter to her which strongly suggests that the policy does apply to her claim. D&G even offered to pay for a repair under the policy (it's now withdrawn that offer).

I think D&G failed to manage Miss J's expectations about the cover under its policy. The FCA guidance for firms on the fair treatment of vulnerable customers in summary says that businesses should respond flexibly to the needs of customers with characteristics of vulnerability. It was important that D&G correctly manage Miss J's expectations under the policy. D&G's records show they knew Miss J had characteristics of vulnerability. That was a reason it paid her £136 compensation as a goodwill gesture.

If Miss J had been told at that time that the policy didn't cover the fault I think it's more likely than not that she would have then contacted the manufacturer direct to correct the problem. I accept D&G's point that whether Miss J thought its policy applied or whether she knew the manufacturer was responsible she refused to allow the fridge freezer to be defrosted to enable the modification to be done.

Miss J has explained she didn't want the fridge freezer defrosted as the fridge stored her children's medication. I understand her concerns. But I don't think it would be fair for me to say D&G should pay for the damage to the floor or the spoiled food. It wasn't responsible for the fault that caused the damage. Also, after the May 2023 appointment Miss J then waited 17 months before she raised the issue again which meant the damage to the floor was worse and she had more spoiled food in the fridge freezer.

D&G's final response letter to Miss J explains that the £136 compensation it paid her wasn't for her to get a new fridge freezer, it was a goodwill gesture. It wouldn't be fair for me to say D&G should provide Miss J with a new fridge freezer. As I've said, the fault with her fridge freezer isn't covered under the policy.

But I think it's fair for D&G to pay Miss J additional compensation to recognise that it didn't reasonably manage her expectations that its policy didn't cover the manufacturer's fault with her fridge freezer. I think the £150 compensation our Investigator recommended (which is in addition to the £136 goodwill compensation D&G has already paid) is a reasonable amount in these particular circumstances.

My final decision

I uphold this complaint and require Domestic & General Insurance Plc to pay Miss J £150 compensation to acknowledge her distress, inconvenience and loss of expectation (in addition to the £136 compensation it's already paid as a goodwill gesture).

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

reject my decision before 11 February 2025.

Nicola Sisk
Ombudsman