

The complaint

Mr K is unhappy that Domestic & General Insurance Plc (“D&G”) didn’t refund the cost of his appliance as well as the policy premium when it declined his appliance breakdown claim.

What happened

The background to this complaint is well-known to both parties, so I’ve set out a summary of what I think are the key events.

Mr K bought a kitchen countertop appliance and a breakdown insurance policy from a retailer which I’ll call Company A. The plan was sold by Company A and underwritten by D&G.

Mr K made a claim under the policy for accidental damage. D&G declined the claim because the appliance was not one of the brands it covered. It refunded the full policy premium. Mr K thought that D&G should’ve also refunded the price of his appliance, so he complained.

D&G looked into Mr K’s complaint but it didn’t agree that it should refund the appliance’s purchase price. It said the retailer sold the policy so Mr K should raise concerns about the sale directly with Company A. When looking into the complaint, D&G identified that it had refunded to Mr K a part payment of the policy in error, as well as the full premium. D&G said the refunds almost covered the cost of a new appliance, so it didn’t think it needed to do anything else. Mr K remained unhappy, so brought his complaint to us.

Our investigator didn’t think Mr K’s complaint was one we should uphold. She said because Mr K didn’t buy the policy directly from D&G, it wasn’t responsible for any advice or whether the policy was suitable for his appliance. Our investigator thought D&G had acted appropriately by refunding the full premium, and she thought it had treated Mr K fairly by allowing him to keep the additional refund made in error. Therefore, our investigator didn’t think D&G needed to do any more, but she advised Mr K that he could approach Company A about the policy sale.

Mr K didn’t agree. He said D&G sold the policy to him and didn’t meet its obligations, which was to refund the appliance purchase price or provide a replacement appliance. Further, he said he’d been to Company A on numerous occasions and each time it said D&G was responsible for refunding the purchase price or replacing the appliance.

Because Mr K didn’t agree, the complaint was referred to me to make a decision.

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’ve decided not to uphold Mr K’s complaint for broadly the same reasons as our investigator. I’ll explain why.

The relevant regulator’s rules say that insurers must handle claims promptly and fairly. And

that they mustn't turn down claims unreasonably.

When Mr K made his claim, D&G explained that the appliance was not one of the brands his policy covered.

I've looked at D&G's list of brands and agree that the appliance isn't one covered under the policy. Therefore, on the face of it, I'm satisfied that D&G declined the claim in line with the cover available under the policy.

Because the policy didn't provide cover, D&G refunded the full premium. As Mr K would never have been able to make a successful claim under the policy, I think D&G's actions here were fair and reasonable. That's because Mr K was put back in the position as if he'd never bought the policy.

Turning to the policy documents, I haven't seen anything in those provided to indicate that certain brands may not be covered. So I don't think Mr K would reasonably have known, on receipt of the documents, that his appliance would not be covered.

However, I also note that the policy says:

Domestic & General Insurance PLC is an undertaking, not an intermediary. We are the underwriter of the insurance and do not provide a personal recommendation or advice.

And,

We have not given you a personal recommendation as to whether this policy is suitable for your needs.

Based on this evidence, I think it's reasonable to conclude that D&G simply provided the policy documents based on the sale completed by Company A. As Company A listed any appliance bought under its own brand on the policy sale, it seems D&G wouldn't have known that the appliance wasn't covered. Therefore, I can't say that D&G did anything wrong by providing the policy for an appliance branded simply as "Company A".

Mr K thinks D&G should pay the full appliance price or replace it. That's an outcome that he might've reasonably expected if D&G had accepted his claim. As I've concluded that D&G fairly declined his claim, cancelled the policy and refunded the policy premium, I see no reason for D&G to provide cover Mr K seeks.

Mr K said he'd approached Company A on numerous occasions but it just referred him back to D&G. The policy states:

IMPORTANT: Please do not go into store for breakdown and accidental damage claims as they can only refer you to the number above.

Based on this evidence, I can understand why Mr K might've been referred back to D&G. However, in these circumstances, he would not be making a claim for accidental damage: rather his contact with Company A would be about its sale of the policy for a brand not covered. I make no finding about whether or not Company A did anything wrong and Mr K would need to raise that directly it.

Overall, I can understand why Mr K is disappointed that D&G declined his claim under a policy he reasonably believed to be valid. However, I'm satisfied that D&G put matters right by refunding the premium. I also think D&G treated Mr K fairly by allowing him to keep the additional refund it made in error. That's not something I would've required.

For these reasons, I'm not asking D&G to do any more in respect of Mr K's complaint.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 February 2025.

Debra Vaughan
Ombudsman