

The complaint

Mr O has complained that Domestic & General Insurance Plc ('D&G') declined his claim under his appliance protection policy. For the avoidance of doubt, the term D&G includes reference to its agents and representatives.

What happened

Mr O's fridge-freezer unfortunately broke down in August 2024. He reported the matter to D&G as he held an appliance protection policy with D&G at the relevant time and thought that his appliance would be covered in the circumstances.

D&G sent out an engineer to inspect Mr O's fridge-freezer and Mr O said he advised that it couldn't be repaired, and a replacement would be needed. D&G then rejected the claim on the basis that the engineer had reported rust and corrosion on the appliance. Mr O complained to D&G, as he wanted the cost of his new appliance to be paid by D&G and to be compensated for the spoiled food which he had to throw away when his fridge-freezer broke down. However, D&G maintained its decision.

Mr O then referred his complaint to this service. The investigator didn't uphold his complaint and said that she was satisfied that the damage was due to corrosion which wasn't covered by the relevant policy.

Mr O remains unhappy with the outcome of his complaint and the matter has now been referred to me to make a final decision in my role as 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.

. I've also considered that submissions of the parties as summarised below.

The key issue for me to determine is whether D&G applied the terms and conditions of its policy in a fair and reasonable manner in declining Mr O's claim. I consider that it did act in a fair and reasonable manner in this case, and I'll explain why.

Mr O said that he noted the break-down of his fridge-freezer when there was no light on the dashboard and the appliance wasn't cooling at all. He accepted that the engineer had told him that the appliance couldn't be repaired, but he hadn't mentioned any corrosion. He'd understood that D&G would supply a replacement fridge-freezer. Due to his family circumstances, there was an urgent need for a fridge-freezer.

Mr O said that he then received an e-mail to say that the appliance had corrosion which D&G wouldn't cover under the policy, however it had provided no photographs to evidence this corrosion. He therefore had to pay almost £600 for a new fridge-freezer. He said that money had been collected by D&G from his account every month, and he felt that D&G had failed to honour the terms and conditions of his policy.

D&G stated that in mid-August 2024, it received information that the appliance was not in a serviceable condition due to corrosion and that no repair was possible. It noted that *'the cabinet was rusted around the door seal which was allowing air ingress.'* It said that Mr O telephoned the following day to ask about a replacement appliance.

D&G concluded that, as the damage had been caused by corrosion, it was excluded under the policy. It denied that there had been any confirmation that Mr O would be supplied with a replacement appliance on any occasion. It said that if the engineer advised him of this, it was *'not his decision to make as Domestic & General are the party who will authorise a repair or replacement as this is our plan.'* D&G stated that when it authorises replacements, it would send the customer an e-mail allowing them to choose a replacement appliance, and this didn't happen here.

I now turn to the reasons for my decision not to uphold this complaint. The starting point for cases of this nature is the specific wording of the relevant policy. Whilst mechanical break-down is covered in principle, the policy contains standard exclusion clauses. Here, the relevant exclusion clause states *'We shall not approve work or payments for or arising from ... any loss, damage or impairment to functionality caused by ...corrosion'*.

The written evidence provided in the engineer's report states that a *'non serviceable part'* was required, and that the cabinet was *'rusted around door seal which is not sealing and allowing in air'*. Unfortunately for Mr O, the exclusion clause is clear that where functionality of the appliance is impaired due to corrosion, claims won't be covered. I have been able to view a photograph which was taken by the relevant engineer in August 2024, and on the balance of probabilities, I consider that this entirely supports the findings of his report. The photograph indicates that the relevant area of the appliance was showing corrosion as well as clear wear and tear.

As to whether the engineer had led Mr O to believe that D&G would supply a replacement appliance, I've no reason to doubt that Mr O's expectations had been raised following their conversation. It's not possible to determine exactly what was said at that meeting. Either the engineer mistakenly raised Mr O's expectations, or Mr O misunderstood what the engineer had said about referring the matter back to D&G regarding any next steps. Whichever the case however, from the clear wording of the policy, an appliance wouldn't be covered where there was damage due to corrosion.

I appreciate that such a mistake or misunderstanding would have caused frustration. I note that this confusion was recognised by a nominal goodwill payment by D&G, and I wouldn't expect D&G to do anything further in the light of the clear policy wording. As for the loss of food, we wouldn't expect the insurer to compensate for food thawing out due to fridge-freezer break-down as it's inevitable that this will happen over a relatively short period and was very unlikely to have been due to any fault or delay by the insurer.

As to whether there was a subsequent phone call or e-mail from D&G indicating that a replacement appliance would be supplied to Mr O, I've seen no evidence to support this contention. I'm persuaded by D&G's submissions that if it authorised a replacement, it would send the customer an e-mail allowing them to choose a replacement appliance, and this didn't happen in this case.

In the circumstances, I can't say that D&G applied the terms of its policy in an unfair or unreasonable manner, and I don't uphold Mr O's complaint, and I consider that it was entitled to rely upon the report of the engineer regarding the cause of the damage. I know that this decision will come as a disappointment to Mr O, particularly as he paid monthly premiums, believing that he would be covered in the event of any break-down of his

appliance. However unfortunately, the policy doesn't cover for every eventuality, and in this case the specific circumstances surrounding the break-down are unfortunately not covered.

My final decision

For the reasons given above, I don't uphold Mr O's complaint and I don't require Domestic & General Insurance Plc to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 14 February 2025.

Claire Jones
Ombudsman