

The complaint

Mr B has complained that Domestic and General Insurance Plc (D&G), when it provided him with a replacement laptop computer, provided a replacement that didn't have the same memory capacity as the one it was replacing and was therefore unacceptable.

What happened

Mr B had a laptop computer with a memory capacity of 1TB and HDD drive. It was insured under a gadget policy he had with D&G. When it developed a fault in November 2023, Mr B contacted D&G.

The laptop was sent to D&G's repair agents on 9 November 2023. After it was assessed, the repair agents advised that given the parts that were damaged, Mr B should be offered a replacement. The replacement offered had a storage capacity of 512GB with an SSD drive. Mr B didn't notice this until June 2024 when he opened up the replacement computer. He says he hadn't done this earlier as he'd been continuing to use another computer. He says that as soon as he started to use the replacement computer he noticed its reduced memory capacity, so he complained to D&G.

D&G says that although the memory capacity of the replacement was only 50% that of Mr B's damaged laptop, its SSD drive provided additional benefits such as faster read and write speeds and increased reliability, although this came at the cost of decreased storage capacity. It says that this was explained to Mr B in a telephone conversation with the repair agents on 15 November 2023 in which Mr B said he was happy to accept the exchange.

Mr B maintains that he wasn't told verbally that the replacement laptop would have a reduced memory capacity and that he hadn't said this was acceptable to him. There is no recording of this conversation now available as recordings are deleted after the expiry of a 90-day warranty period during which they would expect any issues to be raised.

Mr B says his work requires a large memory capacity and there is no way he would've agreed to accept a computer with half the capacity he requires. He says that the fact that the replacement had an SSD drive rather than an HD drive was of no relevance to him.

As Mr B hadn't got in touch with D&G or its repair agents for 7 months after the exchange, D&G said that it couldn't do anything to assist him, but it did make him an offer of £30 as a gesture of goodwill. This would enable him to buy an external hard drive that would make up the lack of memory in the replacement computer.

Mr B wasn't happy with D&G's response to his complaint, so he brought it to this service. Our investigator's view was that on balance it was likely that Mr B had in fact been made aware of the difference in size between his original hard drive and that which was provided to him as a replacement, and that D&G's goodwill gesture of £30 was reasonable. Her view was that D&G hadn't acted unfairly and need not do anything more.

Mr B didn't agree with our investigator's view and asked that his complaint be referred to an ombudsman. It was referred to me for a final decision from this service.

I issued a provisional decision upholding Mr B's complaint. D&G didn't accept that decision, maintaining that the laptop it provided to Mr B as a replacement was "measurably better" in every respect to the one it was replacing other than its storage capacity. It maintains that the deficiency in storage can be addressed by an external drive.

Mr B has responded to this by reiterating that he doesn't want an external hard drive. He wants a laptop with a 1TB drive which is what his original laptop had. He also observed that the replacement provided by D&G has the same speed processor as the laptop that was replaced (16GB RAM), and he would expect the same from any further replacement.

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, and having taken into account the responses from D&G and Mr B to my provisional decision, I continue to believe that D&G has acted unfairly towards Mr B in providing him with a replacement laptop that is inferior to his original laptop in one fundamental that is of particular importance to Mr B, namely its internal storage capacity. As I stated in my provisional decision, I don't consider there to be evidence to support D&G's assertion that Mr B, in a telephone conversation with D&G's repairers, agreed to accept a replacement laptop with only half the storage he needs.

I again refer to the terms of Mr B's policy, in particular that which states:

"All replacements will be of the same or similar make and technical specification as your original Covered Device".

I consider that term to be very clear, and that the replacement Mr B was provided with is neither of the same or similar specification. I'm not persuaded by D&G's argument that a 518GB memory is "the next size down", and so is "similar". It is very close to half the size.

I agree with Mr B that to provide him with a replacement laptop with only half the memory capacity of the one it is replacing is unreasonable. It is not a fair substitute. D&G should have provided a replacement that was at least as good in all material respects as the one it was replacing. I consider that if a replacement is provided that contains some element of an upgrade, that should not automatically compensate for the absence of a significant specification that is a downgrade from the original.

I don't consider that D&G's offer of £30 to enable Mr B to buy an external hard drive to make up the shortfall in his storage is a satisfactory offer.

In my opinion, D&G has not acted fairly or reasonably. I'm therefore upholding Mr B's complaint and require D&G to provide Mr B with a replacement laptop of the same or similar make as his original laptop with 1TB memory and similar or better specification in all other material respects.

If Mr B accepts this decision he should return to D&G the original replacement laptop he received.

My final decision

My final decision is that I'm upholding Mr B's complaint.

I require D&G Insurance Plc to provide Mr B with a replacement laptop of the same or similar make as his original laptop with 1TB memory and similar or better specification in all other material respects.

If Mr B accepts this decision he should return to D&G Insurance Plc the original replacement laptop he received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 March 2025.

Nigel Bremner
Ombudsman