

The complaint

Miss K complains Domestic & General Insurance Plc didn't handle a claim against her device insurance policy fairly.

What happened

I issued provisional decision. I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss K had device insurance with D&G. One of the devices covered was her phone. In December 2024 she made a claim against the policy for her phone. D&G accepted the claim, took the £75 excess and provided a replacement phone. D&G says it should have declined the claim because Miss K's December 2024 payment failed.

I'm not persuaded this is the case because the claim was made and accepted on 13 December 2024, which was before Miss K's payment failed on 24 December 2024. In any case, D&G did accept the claim and is (as it ought reasonably) standing by that decision, so I don't find this point makes a material difference to the outcome of this complaint.

In January 2025 Miss K told D&G the replacement phone was faulty. D&G agreed to replace it. The second replacement phone was scheduled for delivery on 10 January 2025. Miss K missed the delivery. I can't see a second delivery was attempted, or that D&G contacted Miss K, or that Miss K contacted D&G or sought a second delivery attempt with the courier.

Miss K called D&G on 30 January 2025 to reschedule the delivery. She was told the policy had been cancelled due to non-payment and so no replacement phone would be provided. I don't find this was fair and reasonable because the replacement was the result of a faulty phone supplied by D&G, and its provision was therefore not the result of a new claim.

Following a complaint to D&G, and the involvement of our Service, D&G has made various offers to put things right. Miss K hasn't accepted these offers as she considers D&G's actions – or lack thereof – have forced her to purchase a phone on finance which will leave her significantly out of pocket (she's asked for £2,000 compensation).

While I'm satisfied D&G has let Miss K down, I don't intend to require D&G to pay her the level of compensation she requests. I say this because while she says she urgently needed a phone, the timeline of events and her actions don't support that, and in any case it seems to me she could have acquired an economy phone while this matter was ongoing.

If matters had happened as they ought to, Miss K would have received a fault-free

replacement phone, and that would have been the end. In my view Miss K is still entitled to a replacement phone, and D&G is now offering to supply one. But that is of little use to Miss K now, so I intend to require D&G to pay her the cash equivalent based on its costs.

I find D&G caused Miss K some unnecessary distress and inconvenience, such as by providing a faulty replacement phone, and at the end of January 2025 unfairly declining her request to reschedule the delivery of the second replacement phone. Compensation is appropriate, and I consider £200 is a fair and reasonable amount in the circumstances.

D&G has agreed to refund the excess (£75) and all the premiums Miss K paid to cover the phone, plus interest (£31.01+8%). I don't find I can fairly and reasonably require D&G to do this, *and* pay Miss K the cost of the replacement, *and* pay her compensation, as both these sums are legitimately payable by Miss K for a successful claim/valid cover, which she's had.

To conclude, for the reasons set out above, I intend to uphold this complaint and require D&G to pay Miss K the cash equivalent of the second replacement phone based on the cost to D&G, plus £200 compensation. D&G can deduct from this sum payments it's already made to Miss K in the form of refunds and compensation.

My provisional decision

I intend to uphold this complaint and require Domestic & General Insurance Plc to put things right as set out above."

D&G accepted my provisional decision. Miss K didn't respond by the deadline I set.

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.

As D&G has accepted my provisional decision, and Miss K hasn't responded with any further evidence or arguments for me to consider, I see no reason to depart from my provisional decision.

It follows I uphold this complaint and require D&G to pay Miss K the cash equivalent of the second replacement phone based on the cost to D&G, plus £200 compensation. D&G can deduct from this sum payments it's already made to Miss K in the form of refunds and compensation.

My final decision

I uphold this complaint and require Domestic & General Insurance Plc to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 24 June 2025.

James Langford
Ombudsman