

The complaint

Mr R has complained about how Domestic & General Insurance Plc (D&G) dealt with a claim under a mobile phone insurance policy.

What happened

Mr R made a claim when he experienced a battery issue with his phone. D&G carried out multiple repairs on the phone but was unable to resolve the problem. So, it said it would replace the device.

Mr R complained because he wasn't satisfied with the replacement phone he was offered. He wanted a voucher so he could buy a different phone. When D&G replied, it said it hadn't been able to fix Mr R's phone. It had offered a replacement phone, which was the same make but a different model as the phone that required repair. It said it had acted in line with the policy terms and conditions because the replacement phone was the same or exceeded the technical specification of the original device. It said if Mr R wanted a voucher, he could discuss this with its repair agent.

When D&G sent the phone, it got lost in transit. Mr R complained again. When D&G replied, it said it had confirmed the phone had been returned to it. It had sent a further replacement device, but Mr R had chosen not to accept it and had said he wanted a voucher. It said Mr R would receive a link to start the replacement process for the voucher. It also offered £31.64, which was two months' premiums, as a gesture of goodwill.

Mr R complained to this Service. Our Investigator didn't uphold it. She said D&G had acted fairly and in line with the policy terms and conditions by arranging a replacement device. When this got lost in transit, D&G acted in line with Mr R's wishes and offered a voucher as settlement. She said D&G had acted fairly and refunding two months premiums was fair to recognise the small delay in settling the claim.

As Mr R didn't agree, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

D&G was unable to repair Mr R's phone. So, it said it would replace it. The policy said:

“Replacements

...

Where we replace your product, we will (at our discretion) arrange for you to receive either a new product (of the same or similar make and technical specification), a remanufactured product (of the same or similar make and technical specification), or give you [a named retailer's] vouchers that will be equal to the current retail price (from [a named retailer]) of a

new product of the same or similar make and technical specification (less any excess if this applies and has not already been paid) or will be product specific.”

So, the policy explained that D&G, rather than a policyholder, would decide how to settle the claim. I don't think that is unusual. The policy also said a replacement device would be of the same or similar make and technical specification. D&G told Mr R it would replace his phone with one of the same make but a different model, which it assessed to be of the same or higher specification. Mr R wanted a different phone and, instead, to receive a voucher so he could buy it. However, it was for D&G to decide how to settle the claim. From what I've seen, D&G offered a replacement in line with the terms and conditions of the policy.

When D&G sent the device, it got lost in transit. The phone was returned to it a short while later. When D&G sent another device, Mr R rejected it and said he wanted a voucher. D&G decided that, in the circumstances, it would arrange to settle the claim with a voucher. It wasn't obliged to do this, but given the first replacement device hadn't been delivered and Mr R rejected the second device, I think it was fair that D&G reviewed the claim to see how it should now settle it.

I don't think that meant D&G's initial decision to provide a replacement device was incorrect. From what I can see, D&G recognised that Mr R had been caused some inconvenience because the first replacement device went missing. So, I think it was reasonable that it looked at what it could do to address this. I think it offering a voucher as settlement, along with a refund of two months premiums, was fair in the circumstances. I'm aware Mr R doesn't think the compensation is enough, but based on what I've seen, I think D&G fairly dealt with the claim and complaint.

As a result, I don't uphold this complaint or require D&G to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 September 2025.

Louise O'Sullivan
Ombudsman