

## The complaint

Mrs C complains Domestic & General Insurance Plc (D&G) mis-sold her insurance for her kitchen appliances.

## What happened

In June 2024 Mrs C purchased three insurance policies from D&G which provided cover for her oven, hob and fridge freezer respectively. Mrs C said when she purchased the insurance policies she was told there was a reward scheme where she would gain credit which she could use to purchase a new kitchen appliance. However, when Mrs C went to purchase a new kitchen appliance, she was told she would only be able to use a percentage of the credit she had earned. Mrs C was unhappy she hadn't been told this when she purchased her policies and so raised a complaint with D&G.

On 28 January 2025 D&G issued Mrs C with a final response to her complaint. It said during the sale its agent had described the reward scheme, but had failed to clearly specify the percentage amounts that dictate the credit amount Mrs C would receive. It said it hadn't provided Mrs C with incorrect information, but it lacked the clarity it could have done and so would refund one month of premium Mrs C paid toward her policies. Mrs C didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. He said he thought D&G were unclear when providing details of the reward scheme, and had it told Mrs C she would only be able to use a percentage of the credit earned, she likely would have thought differently about taking out the policy. He said D&G should allow Mrs C to use her credit in full, or refund her policy premium in full.

D&G didn't agree with our investigator. It said it was unable to allow Mrs C to use the credit in full as it didn't run the reward scheme. It said it didn't agree it should refund the premium as the reward scheme was a secondary benefit and didn't impact whether Mrs C was able to make a claim under the policy.

Our investigator acknowledged D&G were unable to allow Mrs C to use her credit in full, but still believed D&G should refund the policy premium in full. D&G didn't agree as it wasn't persuaded Mrs C only took the policy out due to the reward scheme.

I issued a provisional decision about this complaint and I said:

*'I want to acknowledge I've summarised Mrs C's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mrs C and D&G I've read and considered everything that's been provided.'*

*When D&G sold three policies to Mrs C it had a responsibility to ensure it provided Mrs C with enough information in a clear, fair and not misleading way to enable Mrs C to make an informed decision about whether the policies were right for her.'*

*I've listened to the call recordings from when Mrs C was sold her policies. During the call the handler makes Mrs C aware of the reward scheme, but doesn't give any indication there is a limit to the amount of credit Mrs C could use towards purchasing a new kitchen appliance. He tells her that every year she will have credit coming back to her which she can use toward a new kitchen appliance.*

*I think D&G failed to make Mrs C aware of the key limitations of the reward scheme it was running. I think it should have done more to make Mrs C aware that whilst she would earn credit she could put toward a new kitchen appliance, the amount of credit she could use would be limited to a percentage of the appliance. And whilst I acknowledge the reward scheme doesn't form part of the benefits D&G provide as part of the insurance contract, it clearly was a benefit of purchasing the policy, used to incentivise customers to purchase it. So, I think it had a responsibility to also highlight any key limitations of the reward scheme Mrs C would be entered into.*

*As I think D&G failed to provide Mrs C with all of the information it should have done when she purchased her insurance policies, I've gone onto consider whether she would have done anything differently had she been given this information.*

*Based on the evidence provided, on balance I'm not persuaded Mrs C would have proceeded with the purchase of the three insurance policies and I'll explain why. The purpose of Mrs C's call with D&G wasn't to purchase an insurance policy, but to register her new appliance. And so I don't think she was necessarily looking to insure her kitchen appliances.*

*During the call the handler asks Mrs C about her other appliances and she tells them she had a washing machine that was 11 years old. The handler says this is too old to bring into cover but that if the washing machine breaks she'll have credit to put toward a new washing machine. Mrs C then says this is what she was thinking as well. So I think a key consideration for Mrs C purchasing these policies was that she had credit she could use to purchase a new washing machine given the age of her current one.*

*Additionally, Mrs C has told this Service she has never purchased kitchen appliance insurance before, and I understand she hasn't had policies with D&G prior to June 2024. So, I don't think Mrs C was always planning to insure her kitchen appliances.*

*Overall, based on the evidence, I think Mrs C purchased insurance policies for her fridge freezer, oven and hob based on the belief she would be able to use all of the credit she earned towards purchasing a new washing machine. I think had Mrs C been appropriately made aware that she would only be able to use a percentage of the credit she had earned, she wouldn't have proceeded with the purchase of these policies.*

*As I don't think Mrs C would have purchased these three insurance policies had she been given the appropriate information at the point of sale, I think D&G should refund the policy premiums she has paid. Our investigator said he thought D&G should refund Mrs C the policy premiums she had paid, but wasn't specific about what policies should be refunded. As I don't think Mrs C would have purchased any of the insurance policies she holds with D&G, I think D&G should refund all of the premiums she has paid toward the fridge freezer, oven and hob policies. It should also pay 8% per year simple interest on these amounts calculated from the date Mrs C paid each monthly premium to the date it is refunded to her.'*

Mrs C accepted my provisional decision. D&G didn't provide a response.

## **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 neither party have given me anything further to think about, I see no reason to reach a different outcome to the one I reached previously. So, I uphold this complaint for the reasons I've set out in my provisional decision.

## **My final decision**

For the reasons I've outlined above I uphold Mrs C's complaint about Domestic & General Insurance Plc. I require it to:

- Refund Mrs C all of the policy premiums she has paid towards her fridge freezer, oven and hob policies.
- \*Pay 8% per year simple interest on this amount calculated from the date Mrs C paid her premiums to the date the premiums are refunded.

\*If Domestic & General Insurance Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs C how much it's taken off. It should also give Mrs C a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 24 July 2025.

Andrew Clarke  
**Ombudsman**