

The complaint

Mr M complains that Domestic & General Insurance Plc ('D&G') failed to reinstate a direct debit for his household appliance protection plan.

What happened

In November 2024, Mr M cancelled his December direct debit payment for his household appliance protection plan with D&G. He asked D&G to reinstate the direct debit later in December. D&G agreed but the direct debit failed at the start of January 2025. Despite multiple conversations with D&G between December 2024 and March 2025, Mr M's direct debit wasn't reinstated and his policy was cancelled in March 2025.

Mr M complained to D&G about this. He said he had to spend hours on the phone to deal with the failed direct debit, and requests for D&G to call him back were ignored.

D&G initially told Mr M the direct debit failed because it had misspelled his surname. It offered him £20 to apologise for this. It later acknowledged that it cancelled Mr M's policy "in error" and offered him £50. Mr M didn't think this adequately compensated him for the time he'd spent trying to sort out the problem.

Our investigator didn't recommend the complaint should be upheld because he thought D&G's offer was fair. Mr M didn't accept this, so the complaint was passed to me.

My provisional decision

I issued a provisional decision on this complaint on 12 June 2025. I said:

"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 agree with Mr M.

D&G told us that Mr M didn't follow the correct cancellation process. However, I don't think that's relevant. Mr M didn't want to cancel his policy. He was in financial difficulty and just wanted to postpone his December 2024 payment. He wanted to reinstate his direct debit and knew he'd have to make up the missed payment. However, D&G cancelled the policy on 20 March "following three failed/missed payments and three failed attempts to reinstate." It still hadn't identified the root cause of the problem by the time Mr M complained to this service at the end of March.

D&G told us: "We know through first-hand experience that when a customer cancels a direct debit at the bank, any attempt the business makes to reinstate that payment are automatically refused by some banks." It acknowledged that this should have been picked up by the case handler. Unfortunately, it didn't realise this until after Mr M had complained to this service so didn't explain this to him in either of the final responses to his complaint.

Mr M first asked D&G to reinstate his direct debit on 21 December 2024. He told D&G this hadn't been done on 18 January 2025 and called D&G at least another 12 times between January and March to try to get it to resolve this. D&G's failure to do so resulted in his policy

being cancelled. I think D&G should have recognised the problem much sooner – certainly by early February – which would have saved Mr M a lot of wasted time.

I also think D&G's communication with Mr M was poor. For example:

- It's apparent from D&G's notes and the call recordings I've listened to that D&G failed to call him as promised at least four times (7 February, 17 February, 26 February, 5 March).*
- On 7 February, Mr M was busy when D&G called so he asked the agent to call back at 3pm. The agent failed to do this. D&G told us its agent didn't try to call Mr M after 3pm because: "[Mr M] made it clear that he wouldn't be available to talk any other time of the day." I don't think that's right – Mr M didn't say he'd be unavailable after 3pm. He later told D&G he'd waited at home for two hours for the call.*
- It closed the issue by apologising for misspelling Mr M's name. But – as Mr M pointed out numerous times – it hadn't resolved the problem with his direct debit.*

I accept that the problem started when Mr M cancelled his direct debit. However, I think it was a relatively simple issue that D&G failed to resolve. As a result, Mr M spent at least 12 phone calls (each of which lasted 10-15 minutes) over the next two months trying to get D&G to recognise the problem.

I understand that Mr M now has a new policy with D&G. However, I think D&G treated Mr M unfairly by failing to identify the underlying problem with the original policy, ignoring his requests to look into this further, and failing to call him back when it said it would. This meant Mr M spent somewhere between two and three hours on the phone trying to understand why his monthly premium wasn't being taken. It also meant arrears were accruing on the policy, which worried Mr M. I think D&G added to Mr M's worries by failing to realise that the issue hadn't been resolved. And I think these failings were made worse because Mr M might reasonably be considered a vulnerable consumer.

I think D&G should compensate Mr M for the distress and inconvenience these failings caused him. Having considered the level of awards made by this service, I think it should pay Mr M £150."

Responses to my provisional decision

Mr M accepted my provisional decision. D&G didn't respond.

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.

Given Mr M accepted my provisional decision and D&G offered no further comments, I see no reason to change my provisional findings. I uphold the complaint for the reasons set out in my provisional decision.

My final decision

My final decision is that I uphold the complaint and order Domestic & General Insurance Plc to pay Mr M £150 to reflect the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 July 2025..

Simon Begley

Ombudsman