

## **The complaint**

Mr M complains Domestic & General Insurance Plc (“D&G”) has unfairly increased the cost of his warranty insurance policies covering three household appliances. He says the amount the prices of the policies have increased by each year is too high so he would like the premiums reduced. All references to D&G include its agents.

## **What happened**

Mr M bought three different household appliances around 2021 and 2022. Alongside the appliances, he took out insurance policies covering them for mechanical and electrical breakdown, accidental damage and labour charges.

Mr M’s policies renewed each year and D&G has given us a breakdown of the monthly premiums set for each policy. At the first renewal, the prices stayed the same as D&G says they were fixed for the first year. And at the second renewal, all three policies increased by 99 pence per month. D&G says this was in line with the terms of the policy which say the price won’t increase by more than £1 per month in the second and third years of cover. At the following renewal, the prices of each policy increased by just over 34% each.

Unhappy with the cost of his policies increasing, Mr M made a complaint. D&G didn’t uphold the complaint. It said there are several factors which may affect the cost of renewals, including the risk of repair as appliances age and the increased cost of replacement parts. It thought the price of the policies had increased fairly and in line with its policy terms. Mr M didn’t agree. He felt the price increases were too high as he said they were above the rate of inflation. So he asked our service to look into things.

Our Investigator didn’t uphold Mr M’s complaint. She said she’d checked the Consumer Price Index (“CPI”) which provides market wide data on the cost of insurance and she thought the premium increases Mr M experienced were inline with the CPI data for the cost of insurance. She also noted D&G had given Mr M enough time and information to shop around if he was unhappy with the renewal prices but he said he was unable to find any alternative comparable cover. So she didn’t think D&G had done anything wrong. As the complaint wasn’t resolved at that stage, it was passed to me to reach a final decision on.

## **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.

Based on everything I’ve seen, I’ve decided not to uphold this complaint for broadly the same reasons as our Investigator. I know Mr M will be disappointed but I’m satisfied this is the fair outcome in this case. I’ll explain why.

As our Investigator explained, it's been widely publicised over recent years that the price of insurance has increased significantly due to claims inflation and other relevant factors. We also take into account data from the Association of British Insurers, as well as the Office of National Statistics – and this shows prices have been increasing. So it's not unusual to see the cost of Mr M's insurance policies have gone up in this case. Overall, it's for D&G to decide what price it will offer Mr M's cover for. Provided I'm satisfied it's treating him fairly and consistently with other customers, it's not my role to interfere here.

I've looked very carefully at the cost of Mr M's policies over time and the market wide increases recorded on the CPI. And overall, I'm satisfied the cost of Mr M's policies have increased in line with market wide increases. So I can't say D&G have increased the price of Mr M's policies unfairly or inconsistently with other customers.

Businesses will calculate the price of a policy based on the risk presented. This risk can change year on year, for example, D&G has said as the age of the appliance increases, the risk of a claim increases too. It's also highlighted factors including the level of tax on policies and the cost of parts can have an impact too. So it's not unusual or uncommon for prices to increase – even though the policyholder's personal circumstances may stay the same. I appreciate Mr M is concerned about how much the cost of his policies have increased by over time. But I note he's made a claim on his policy and I'm not persuaded the price of his renewals are inconsistent with what I've seen across the market.

I've also thought carefully about the information D&G gave Mr M at the point of each renewal. The renewal invites explain what the new premium is and provides a reminder of what Mr M paid in the previous year. They remind Mr M to check the cover is appropriate for him and that he may be able to get a better deal elsewhere. I can also see on the latest renewal notices, D&G highlighted Mr M had the cover for some time and that he should shop around for a better deal. So I consider Mr M was made aware of the difference in price together with details of the level of cover being provided for this cost.

Overall, from everything I've seen in this case, I consider it more likely than not that D&G has offered Mr M a price which is in line with how it prices all of its policies. And I haven't seen anything to suggest it's inflated the cost of the policies unfairly or out of line with the wider market. And I think that's supported by Mr M having been unable to find comparable alternative cover at a lower price when he looked for a better deal elsewhere. So I'm satisfied D&G has treated Mr M fairly and in line with its policy terms in this case.

### **My final decision**

For the reasons I've explained above, I don't uphold Mr M's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 September 2025.

Nadya Neve

**Ombudsman**