DRN-5804202

The complaint

Mrs P complains that Domestic & General Insurance Plc cancelled her gadget insurance policy when there was no valid reason for them to do so. And she feels that the cancellation was due to discrimination.

What happened

Mrs P is represented in this case by her husband Mr P, but for ease of reading I'll refer to all correspondence, calls and comments as if made by Mrs P.

Mrs P had a gadget insurance policy with D&G. She took out the policy in 2018 and it had been renewed on an annual basis since then. Since cover has been in place Mrs P has made multiple claims for the four gadgets covered by the policy, most of the claims relating to screen damage.

In August 2024 D&G notified Mrs P that they were cancelling her policy. They sent her a notice of termination dated 8 August 2024 which said her cover would be terminated in seven days. The notice didn't specifically state why the policy was being cancelled.

Mrs P raised a complaint as she said she didn't understand why her policy had been cancelled. When she did this she notified D&G that her son had special needs, and his vulnerabilities and behaviour had led to a number of the claims for screen damage that she'd made.

D&G didn't uphold Mrs P's complaint. They said their investigation had flagged unusual activity on her account, which was sufficient to allow them to cancel her policy in line with the terms of her plan. They said they'd taken into account any vulnerabilities and the decision wasn't influenced by any discriminatory factors.

Unhappy with D&G's response Mrs P complained to our service.

Our investigator considered the case and didn't think that D&G had acted fairly. She said Mrs P had submitted a claim for a damaged iPad on 7 August 2024 and received a Notice of Termination issued by D&G the following day, which said her policy would be cancelled in seven days. But they didn't set out what terms they'd relied on to cancel her policy.

Mrs P had advised D&G that her son has a disability and this is why devices could get broken. And D&G said they'd taken this into account and cancelled the policy in line with their standard procedures.

Our investigator said she'd reached out to D&G to ask what terms they'd relied on to cancel the policy and to provide any relevant supporting evidence. And while she said D&G had shared some evidence she didn't this was enough for her to conclude the cancellation of the policy was fair and reasonable. Although did accept that Mrs P had notified D&G of her son's disability after the policy was cancelled.

As D&G hadn't shared with either Mrs P or our service what terms they'd relied on to cancel the policy, which she'd expect them to do, our investigator said they should reconsider their decision to cancel Mrs P's policy. But she did say that if D&G provided further information and/or evidence to support the decision to cancel the policy, she might come to different outcome after reviewing this.

D&G didn't accept our investigator's opinion. They provided information about the claims Mrs P had submitted under her policy and further details of the policy terms they'd relied on in cancelling her policy.

Our investigator considered this and issued a further view. In this she said that D&G had told us they'd relied on the following terms to cancel Mrs P's policy:

"If we have reasonable grounds to believe that you have (or anyone acting for you has) made a claim under this policy knowing the claim to be dishonest, exaggerated, or fraudulent, then we may…"

And

"If we have reasonable grounds to believe that you have (or anyone acting for you has):

- Engaged in fraudulent activity against us or our service providers; or
- Provided us with false information,

With respect to another policy you hold or have held with us, we may cancel this policy as well as any other policies you have with us and/or reject any applications for new policies (see 'Cancellation', clause 10 above). You will receive a refund of any premium paid for unused days of the policy."

D&G provided details of their concerns regarding a number of claims relating to a Toshiba laptop. They told us this was originally added to the plan in May 2018, but added again in July 2023. In 2018 the purchase date was given as 2015, but in 2023 it was said to be 2019.

Our investigator said the records D&G provided confirm the laptop was added to the policy in May 2018 and repaired in June 2018. And the same laptop re-added to the policy in July 2023. So she didn't dispute what D&G had said, but she didn't think a discrepancy over the purchase date was false information which prejudiced D&G and justified them voiding the policy.

In respect of the September 2023 claim relating to screen damage to the same laptop D&G said that they'd been told the laptop was damaged when it fell out of a box when Mrs P was moving house. But there'd been no mention of a change of address in relation to the policy since July 2020.

Our investigator listened to the claim call from September 2023 and said Mrs P stated they were between addresses and gradually moving things while work was being done on their new property. So our investigator didn't think Mrs P had provided misleading or false information to D&G.

D&G also said that based on the report from their repair agent on the age of the laptop, based on the software it had installed, potentially it wasn't in good working order. Our investigator wasn't persuaded by this, or the other comments made by D&G regarding the laptop not being in good working order.

D&G also raised concerns about repairs to two different iPads. One of these was repaired in April 2023. The other had been repaired and not covered from that point. The iPad repaired in April 2023 was added back onto the policy in July 2023. Our investigator didn't have any issue with this as according to the notes D&G have provided they were different models. So again she didn't think this was good reason to decline the claim or cancel the policy.

Although D&G had now provided details of the specific terms they'd relied on, our investigator didn't think these applied based on the history of claims submitted. So her opinion remained that D&G should review their decision to cancel the policy and remove any negative markers against Mrs P relating to this.

D&G didn't accept our investigator's opinion so the case came to me for a decision.

I issued my provisional decision on 20 August 2025 and in it I said: -

In looking at this complaint I think it's important to note what's said on page one of the welcome letter sent to Mrs P with the terms and conditions of her policy.

It says, "Good news: your device(s) are now covered against accidental damage with unlimited repairs and replacements."

And the "Unlimited repairs and replacements" are also highlighted on page one under the heading "Your policy at a glance."

In the information D&G have provided they've listed the claims that Mrs P has made over the years she's had her policy with them. There have been a lot of claims, but the policy is sold on the basis that it provides unlimited repairs and replacements in the event of breakdowns and accidental damage. And until D&G cancelled the policy in August 2024 they'd been happy to renew it each year.

The Notice of Termination Mrs P received didn't specifically state why the policy was being cancelled, just that "her account had been flagged due to unusual activity" and that one or more of the following applies:

a. You failed to comply with certain conditions and obligation required of you and explained in your plan document under the heading 'Your Responsibilities',

b. The claims made are too frequent, appear coordinated, occur too soon after warranty inception, or are so unusual that they are unlikely to be coincidental or unintentional."

Which didn't help Mrs P at all in understanding why her policy had been cancelled. D&G's final response to her complaint didn't make matters any clearer. And as they hadn't provided any specific reason for cancelling the policy our investigator upheld Mrs P's complaint.

Only in response to this did D&G provide the further information they say they based their decision on.

This consisted of two potentially conflicting dates for the purchase of a Toshiba laptop covered by the policy. A claim for this laptop in September 2023 when it was said to have been damaged during a house move, when D&G say there was no change of address notified at this time. And the age of the laptop based on the software installed on it, which D&G say potentially indicates that it was not in good working order prior to the claim.

In the claim call with D&G Mrs P explains that they were gradually moving their belongings to another property while work was being carried out there. I'm satisfied that this is a reasonable explanation of how the laptop came to be damaged during a 'move.'

I’m not persuaded on the basis of the evidence provided by D&G that there’s any evidence which confirms the laptop claimed for wasn’t in good working order when it was added to the policy. This appears to speculation based on the age of the laptop, rather than direct evidence of its condition.

Mrs P has said she believes her policy was cancelled due to discrimination. D&G have said it wasn’t. As they didn’t explain why the policy was cancelled I can understand why she may have thought this. But I’ve not seen any evidence to suggest any discrimination.

During one of the calls with D&G Mrs P advised them that they were moving in with family and returning their Sky equipment as their family already had this installed. She was advised by the agent she spoke to that if she cancelled her Sky subscription, she’d no longer be entitled to cover under the policy.

We’ve checked with Mrs P who’s confirmed that her Sky equipment was returned. We’ve also checked with D&G who’ve confirmed that consumers are only eligible for cover under the policy that was cancelled if they have an active Sky subscription.

Mrs P has told us that they moved in with family in around September 2023, but her policy with D&G continued after her Sky equipment was returned until it was cancelled by D&G in August 2024. Based on the information provided by D&G I’m satisfied that she was no longer entitled to the policy at the point it was cancelled.

I’m not satisfied that D&G provided Mrs P with a valid reason for cancelling the policy, and so they need to compensate her for their poor customer service and the distress and inconvenience she experienced.

So my provisional decision was that I upheld Mrs P’s complaint.

D&G have indicated that they accept my provisional decision but Mrs P hasn’t responded.

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 have confirmed that they accept my provisional decision and we’ve received no response from Mrs P I’m not amending my findings.

So I remain persuaded that D&G didn’t provide Mrs P with a valid reason for cancelling her policy, and they need to compensate her for their poor customer service and the distress and inconvenience she experienced as a result of this.

Putting things right

As Mrs P no longer meets the eligibility criteria for the policy I can’t require D&G to review the cancellation or reinstate her policy. But I think they should pay her £150 compensation for the way in which the cancellation of her policy was handled and the distress and inconvenience she experienced as a result of this.

My final decision

For the reasons set our above my final decision is that I uphold Mrs P’s complaint about Domestic & General Insurance Plc. And I require them to take the steps set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs P to accept or reject my decision before 6 October 2025.

Patricia O'Leary
Ombudsman