

The complaint

Miss M has complained that Domestic & General Insurance Plc (D&G) unreasonably cancelled her TV policy in September 2024

What happened

Miss M had a TV policy to cover accidental damage and breakdown. In September 2024 D&G wrote to her and said it was cancelling her policy. It said the reasons were that it had found she had made multiple claims and had failed to adhere to the policy terms in relation to her account or accounts linked to her.

Miss M had never made any claim, so she complained to D&G. It didn't uphold her complaint, so she brought it to us.

The first investigator didn't think her complaint should be upheld given some premium payments hadn't been made. Miss M didn't agree and provided bank statements to show her premium payments had been made.

The matter was then transferred to another investigator who was of the view that it should be upheld as there was no evidence to show Miss M had made multiple claims or indeed hadn't paid her premium when required. So, the investigator thought D&G should remove the cancellation, provide a letter to Miss M explaining it was cancelled in error, and pay Miss M £200 compensation.

D&G disagreed, so Miss M's complaint has been passed to me to decide.

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'm upholding this complaint along the same lines as the investigator. I'll now explain why.

I can appreciate D&G's concerns here, but in concentrating on Miss M's record with it, rather than anyone else's record, she hasn't made multiple claims and neither did she miss premium payments. This is now confirmed by D&G also.

D&G's letter to Miss M explaining why it was cancelling her policy, detailed the actions of someone D&G decided was her associate or relative. So understandably, given these actions weren't Miss M's actions with D&G, but were the actions of someone other than her, what D&G said to Miss M simply didn't make sense to her.

D&G said to Miss M that she:

“a. You failed to comply with certain conditions and obligations required of you and explained in your plan documents 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.”

Miss M asked what this meant as she couldn't understand what she might have done, D&G then told her the following:

“Your cover has been flagged by our system due to unusual activity which prompted further investigation. After carefully reviewing the claims and transaction history, our risk officer has concluded based on reasonable grounds and sufficient evidence to withdraw the cover and has issued a letter notifying the decision.”

And this provided no coherence for Miss M either as she hadn't made any claim or not paid her premium when required.

I consider under the overarching Consumer Duty, D&G was under a duty to provide clarity to Miss M its policyholder, which I don't consider it did here at all.

The policy provides when D&G can cancel a policy as follows:

“We may cancel this policy by giving you at least 7 days written notice where there is a valid reason for doing so.”

These reasons are listed as follows:

“Valid reasons include but are not limited to the following:

- where you fail to comply with certain conditions and obligations (see ‘Important conditions and the conditions section for each type of cover);*
- where you fail to pay for the policy (see ‘Paying your premiums’ above);*
- where you have (or anyone acting for you has) previously engaged in fraudulent activity and/or provided us with false information (see ‘Fraudulent activity’ below); or*
- where you have used threatening or abusive behaviour or language towards our staff or suppliers.”*

The *“Important conditions”* outlined in the terms are as follows:

- All information you give must be true, factual and not misleading.*
- Your product must have been installed, maintained and used in accordance with the manufacturer’s instructions.*
- Your product must be used in a private home, solely occupied by a single household (at the address you gave to us).*
- For products which can store data, you must ensure that your product does not contain any content that may be considered to be illegal, and if we find any content we consider to be illegal, we reserve the right to inform the relevant authorities.”*

In reality Miss M's behaviour with her policy adhered to the terms and conditions of the policy too. Since D&G haven't provided Miss M with any coherent reason for cancelling her policy covering her TV, it has to follow it was therefore unfair and unreasonable.

In its disagreement to the investigator's view, D&G said this service has no jurisdiction over who it agrees to take on as customers. That is correct we don't but the law and the Financial Conduct Authority's regulations under which D&G operate take care of that. However, D&G, all on its own, decided to give Miss M a policy and to accept her payment of premium under the terms of the policy which D&G offered, and which Miss M accepted. Once it has entered into that agreement with any consumer, the rules that operate between them are the policy terms.

If a consumer has any complaint over how their policy might have been cancelled, then as D&G are fully aware, we absolutely do have jurisdiction to decide on whether D&G was fair in its policy cancellation having regard to the policy terms. Here there is no evidence that it has been fair, as Miss M hasn't made any claim as alleged or indeed missed any premium as alleged. All of which has been confirmed by D&G too. So, as Miss M hasn't transgressed any policy conditions herself, it follows that I consider the policy cancellation is unfair.

If D&G wants to refuse to provide some consumers with its policy, or some groups or types of people, it really needs to do that at the application stage, (rather than later) with cogent reasons why such people are excluded to ensure it's not contravening any other regulations. Or it needs to amend its policy conditions to explain why some people like Miss M might end up with their policy being cancelled through association which might indeed cause D&G some other regulatory issues too.

Further in upholding this complaint, neither the investigator nor I are asking D&G to have Miss M remain as a policyholder. Instead, I consider it's fair and reasonable that D&G compensates Miss M for its unreasonable cancellation of her policy when she didn't contravene any policy conditions. This cancellation caused Miss M some considerable distress and upset since she has done nothing wrong, and it caused her some inconvenience in having to complain about it and ultimately bring her complaint to us. So, I consider the sum of £200 compensation is both fair and reasonable in instances like this and is in line with our approach to compensation more detailed on our website.

Therefore, as I've concluded the policy cancellation was unfair to Miss M, D&G should now remove the cancellation from any internal and external databases. It should also provide Miss M with a letter that it cancelled her policy in error in case Miss M runs into any issues with alternative providers in buying any other policy.

None of this is requiring D&G to keep Miss M on as a policyholder.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Domestic & General Insurance Plc to do the following:

- Remove the cancellation from all internal and external databases.
- Provide Miss M with a letter explaining her policy was cancelled in error in case she runs into any problems obtaining any other insurance.
- Pay Miss M the sum of £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 October 2025.

Rona Doyle

Ombudsman