

The complaint

Ms W is unhappy Domestic & General Insurance Plc (D&G) haven't replaced her coffee machine under her appliance protection policy.

What happened

In April 2025 Ms W took out cover for her coffee machine through D&G. A few weeks later it broke so she put in a claim under her policy. D&G arranged for the machine to be collected and inspected. The repairer found issues with the boiler and a valve and said the parts required weren't available, so the appliance had been written off.

Ms W wanted a replacement but says she was initially told that they weren't sure if they could replace it because she had made a claim within 30 days and hadn't made any payments towards the policy. But this was because she had been given two months' worth of free cover when taking the policy out.

D&G further assessed the claim and said they would look to replace the coffee maker if Ms W could provide proof of purchase. It appears, they were concerned the machine was older than they had been informed at inception and that it may not have been working at the outset.

Ms W informed D&G she didn't have proof of purchase and confirmed she had sent the machine to the repairer in the original box. She asked for her coffee machine to be returned. D&G informed her she would need to contact the repairer to arrange this herself.

Ms W spoke to the repairer who informed her she would need to pay a fee for them to return the machine to her. She didn't feel this was fair or reasonable. The repairer contacted Ms W a few times in relation to the return of the item but say Ms W didn't respond.

Ms W complained to D&G. They reiterated that they would require proof of purchase for them to proceed with a replacement coffee machine. Our investigator initially didn't uphold the complaint but following further investigation said D&G should cover the claim by either replacing the item or pay for the cost of replacing the item as the terms and conditions weren't clear about the requirement for proof of purchase. She also felt they should pay Ms W £100 for the distress and inconvenience it caused.

D&G didn't agree, they provided further information in relation to the return of the item which suggests Ms W didn't follow up with the return through the repairer. And felt they had the right to validate a claim. Ms W also felt she was due more than £100 compensation given that she had been accused of fraud and being without her coffee machine for seven months. As neither party agreed, it 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.

D&G have a responsibility to handle claims promptly and fairly and they shouldn't decline a claim unreasonably. The terms and conditions set out the agreement between Ms W and D&G and outline what is and isn't covered. They say:

"What is insured?"

Breakdown after the end of the manufacturer's guarantee period, immediate protection of your product (including call-outs, parts and labour) with no excess to pay, a replacement product (for example where we cannot repair it or we decide that it is uneconomical for us to repair your product), vouchers for the full retail price of a replacement (if we cannot reasonably arrange a replacement)"

"What is not insured?"

Costs arising from not being able to use your product (other than food spoilage if covered) or damage to other property, loss, cosmetic damage, neglect or deliberate damage, costs for replacing any accessories, installation and disposal."

It also notes the product must be in good working order when the policy starts.

In respect of repairs, it says:

"Where we authorise a repair we will pay call-out charges, the cost of labour and the cost of parts (as long as these are not covered by another guarantee or warranty on the product). Only repairers approved by us are authorised to carry out repairs under this policy, unless we agree otherwise in advance."

But where a product can't be repaired it says:

"Replacements

In some situations, we will arrange to replace your product instead of repairing it (for example where we cannot repair it or we decide that it is uneconomical for us to repair your product). In these circumstances, we will arrange to replace your product with one of a same or similar make and technical specification. If we cannot reasonably arrange a replacement, we will give you vouchers instead."

The policy also references *important conditions* such as information being true, factual and not misleading and the product being used in accordance with the manufacturer's instructions. It doesn't say here that proof of purchase would be required in the event of a claim. It also doesn't reference the inability to provide proof of purchase in the exclusions section.

There is a section titled "Fraudulent activity" which says *"If we 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 we may request extra information in support of your application or claim (such as proof of purchase). 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: request extra evidence in support of your claim (such as proof of purchase or other documentation), decline your claim and immediately cancel your policy without any refund of premiums or excess paid"*

D&G accepted the claim for repair and when the coffee machine was deemed irreparable, the repairer told Mrs W she would have to pay to have the machine returned to her. I can

understand why Mrs W didn't think this was fair, especially as D&G had paused the claim pending proof of purchase that she couldn't provide.

I understand that D&G have said the claim had flagged at the outset due to how long the policy was in force. But the system was overridden. However, they still initiated the claim without needing proof of purchase. And even if they felt at this point, they couldn't proceed with the claim, it would have been reasonable to return the coffee machine to Mrs W and cover the cost for it.

Whilst I recognise D&G's concerns that the policy was only purchased a few weeks before the claim. And that this could give rise to concerns that the product wasn't in good working order at the point of purchase or older than Mrs W had said. Mrs W didn't contact D&G to purchase cover for her coffee machine, as she was an existing customer that already insured multiple appliances and electricals, D&G called Mrs W to ask her if she had any additional appliances she wanted to insure. I've listened to the sales call, and it is clear that the D&G agent was asking about various other products Mrs W may own and therefore be looking to insure. And it was the agent who asked if she had a coffee maker. She said she had and provided the model number and the agent said that the manufacturer's warranty had expired. The agent didn't say that a receipt would be needed for any claim to be made or that they would only cover appliances of a certain age. Instead, he reassured Mrs W that the policy covers replacement, new for old, like for like.

It isn't unreasonable for an insurer to validate a claim, but D&G had already accepted the claim and arranged for a repair. Proof of purchase isn't mentioned in the main claims section of the terms and conditions only in the Fraudulent activity section which is separate to this. And given that D&G are aware that the appliances they're insuring are out of manufacturer's warranty, it's reasonable to assume they could have been owned for more than a few years and therefore receipts won't always be available. So, if this is a requirement I'd have expected some detail around that in the claims section of the policy. Mrs W has explained the coffee machine was purchased for her as a gift and so she never had proof of purchase. But she did send the coffee maker for repair in its original packaging.

In one of the calls the agent told Mrs W that a receipt isn't needed to purchase the policy but, in this instance, as the policy was so new, that was the reason for proof of purchase being required. But it doesn't specify this in the terms and conditions.

I don't think it's fair or reasonable to rely on the 'Fraudulent activity' term in this instance. I say this as there isn't anything to suggest that Mrs W hasn't been truthful with D&G about the product. Or any evidence to support that the coffee machine wasn't in good working order at the time the policy was purchased. D&G were the ones that initiated the sale, and I found Mrs W to be credible with the information she provided having listened to the calls.

Overall, for the reasons explained, I don't think D&G have treated Mrs W fairly or reasonably in declining the claim. I therefore require them to settle the claim as per the terms and conditions of the policy. Given that they were unable to repair the coffee machine, they will need to replace it in line with the policy terms and conditions. The way they've handled the claim has added unnecessary distress and inconvenience to Mrs W so they should also pay her £100 compensation in respect of this.

My final decision

My final decision is that I uphold this complaint. Domestic and General Insurance Plc should settle the claim in line with the terms and conditions. As they have been unable to repair the coffee machine and have now disposed of it, they should replace it in line with the terms and conditions of the policy. And pay Mrs W £100 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 17 December 2025.

Karin Hutchinson
Ombudsman