

The complaint

Mr S has complained about the amount Domestic & General Insurance Plc (“D&G”) offered for a claim he made on his gadget insurance policy.

Reference to D&G includes its agents and representatives.

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.

Our investigator thought D&G should pay £60 more for the claim, plus interest, and £50 compensation. I agree, and for broadly the same reasons. So I don’t think there’s a benefit for me to go over everything again in detail. Instead, I’ll summarise the main points:

- Mr S took out the policy to cover a TV when he bought it from a retailer, R, for £349. He later got in touch with D&G to report faults with the TV.
- D&G accepted a claim, said the TV was uneconomical to repair, and offered a voucher from R for £269 to settle the claim.
- Mr S didn’t think this was a fair offer, as it meant he would receive less than he paid for the TV originally. He later said an equivalent TV cost £329 from R, which he bought, so he suffered a £60 shortfall.
- The policy says, in summary:
 - If D&G agrees to replace a TV, it will choose whether to provide a new TV or provide a voucher from R.
 - A voucher from R will be “the current retail price from R of a new TV of the same or similar make and technical specification.
- It’s clear that settlement will be based on the *current* retail price, from R, of an equivalent TV. That means the original purchase price is irrelevant.
- So, the question is whether £269 was sufficient to buy an equivalent TV from R, at the time of the claim in May 2025.
- There’s been a lot of discussion on this point. In short, both parties seem to agree the original TV wasn’t available as a replacement – but a similar model was a suitable equivalent. Put simply, D&G hasn’t shown £269 was sufficient, at the relevant time, to buy the equivalent TV from R. And R’s website shows the equivalent TV was priced at £329 in July 2025, when it was labelled “our lowest price ever”. It therefore seems unlikely the TV would have been £60 cheaper two months earlier.
- D&G has argued that £269 may have been sufficient to buy the equivalent TV from other retailers. But the voucher it provided was restricted to R – in line with the policy

terms. So Mr S couldn't use it at other retailers. Whilst £269 may have been representative of the typical cost at other retailers at the time, D&G hasn't shown this is what it would have cost with R. On the contrary, the available evidence shows it would have cost at least £329.

- In these circumstances, I'm satisfied a £329 voucher from R would have been a fair settlement at the time. As Mr S was only given £269, and has since bought the equivalent TV for £329, D&G should pay him £60 to make up the shortfall.
- During our investigation, D&G offered £60 – but said it shouldn't be viewed as a change of outcome. As it hasn't shown its original offer was fair, the increase will amount to a change of outcome, in line with the usual process.
- As Mr S has been without the money unfairly for a period of time, interest should be added.
- Our investigator thought D&G should pay £50 compensation to Mr S. I'm satisfied that's fair and reasonable in the circumstances. What ought to have been a relatively straightforward claim to settle promptly and fairly has been unnecessarily drawn out by D&G, and that will inevitably have caused some avoidable inconvenience.
- Mr S' complaint originally included a point about the premium D&G charged. After our investigator said he thought D&G acted fairly on this point, I understand Mr S accepted that position. As a result, I don't think I need to consider it further.

My final decision

I uphold this complaint.

I require Domestic & General Insurance Plc to:

- Pay £60 for the claim settlement.
- To that payment, add interest at 8% simple per annum, from the date Mr S bought the replacement TV to the date of settlement*.
- Pay £50 compensation.

*If D&G considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 March 2026.

James Neville
Ombudsman