

The complaint

Mr P is unhappy that Domestic & General Insurance Plc (“D&G”) settled his TV claim for significantly less than the purchase price.

What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

Mr P bought an Appliance Protection Policy, underwritten by D&G, to cover his TV. During the second year of cover, Mr P claimed under the policy. D&G looked into the claim and, although it didn’t think the policy should have been available to Mr P, it offered a settlement of £1,989. Mr P was unhappy with the settlement because he’d paid £5,500 for his TV and the payment didn’t cover the cost of a replacement with a similar specification. He complained to D&G.

D&G issued a final response in which it said the purchase price of Mr P’s TV exceeded the policy limit. Therefore, D&G didn’t uphold his complaint and it didn’t increase the settlement.

Unhappy with the response, Mr P brought his complaint to us.

To begin with our investigator upheld Mr P’s complaint, and she said D&G ought to pay £150 for the failure to provide relevant information about the policy limit in the sales call or in the policy documents. However, D&G provided further information about Mr P’s policy and other similar policies he’d bought, suggesting he would’ve been aware of the policy limit. D&G also disputed some of Mr P’s evidence, suggesting he’d knowingly stated a purchase price significantly below the actual price. After giving Mr P an opportunity to comment on D&G’s evidence, and taking his further comments into consideration, our investigator was not persuaded that D&G had done anything wrong. Therefore, our investigator did not uphold Mr P’s complaint, and she said that D&G did not need to take any further action.

Mr P disagreed. He said an email he sent to D&G when he first bought the policy proved he’d been unaware of the policy limit. He said if D&G had responded to that email, he would’ve been able to cancel the policy within the cooling off period.

Because Mr P didn’t agree with our investigator, the complaint was 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've decided not to uphold Mr P's complaint.

Before I explain the reasons for my decision, I think it's worth commenting on Mr P's recent request for an extended deadline to provide information. While I understand he was disappointed that the full extension was not granted, I don't believe the information would make a difference to the outcome. That's because it was regarding other policies he had, about which D&G commented, but I do not think have any bearing on this complaint.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. And the relevant rules and industry guidelines say a business should provide support and help with understanding and enable customers to pursue their financial objectives. My role, here, is to look at how D&G handled Mr P's claim, and to decide whether it treated him fairly and reasonably in the circumstances, and in line with the rules and the terms of the policy.

Policy purchase

Mr P complains that D&G didn't tell him about the limit of £2,000 when he bought his appliance protection policy, and the limit is not referred to in the policy documents. D&G does not dispute this, but it says that the policy is only available for appliances costing less than £2,000.

Ordinarily, I'd expect to see any claim limits documented in the policy terms and conditions, and for those limits to be brought to Mr P's attention at the point of sale. However, the limit referred to here is the maximum purchase price of an appliance for which cover would be sold rather than a limit on the amount of a claim for other reasons. That is, the policy is only sold to provide cover for appliances with a purchase price of £2,000 or less.

Mr P bought the policy in December 2023, and I've listened to the sales call. D&G asked him how much he paid for the TV and he said just under £2,000. The agent asked him what they should record as the price and Mr P said he paid £1,989. So, based on this evidence, Mr P bought a policy for a TV which he told D&G had cost him less than £2,000. The agent did not offer any prompts regarding the price so it was reasonable for D&G to accept that Mr P paid what he said he'd paid. And, as the price he reported was less than £2,000, there would be no reason for D&G to make any reference to the policy limit during the sales call. It believed, based on the information Mr P provided, that the TV fell within the policy limit.

D&G provided the terms and conditions to Mr P after he bought the policy. The policy was only available for appliances costing less than £2,000, and only then would the documentation be provided. Therefore, I'm not persuaded that D&G failed to provide key terms of the policy at the point of sale, or that there would be a need to state the qualifying criteria for a policy which had already been purchased.

So, given the available evidence, I don't find that D&G did anything wrong by selling the policy, or that it failed to provide information about the policy limit which did not appear to apply to Mr P based on the information he provided.

Cancellation

I've noted the evidence Mr P supplied regarding an email he sent to D&G a week after buying the policy. He quoted some of the policy cover in the email and said he attached a receipt for the TV. In that email, he asked D&G to check over the detail he had quoted and to cancel the policy if it was incorrect. It's not clear why Mr P sent the email. D&G had not asked for a copy of the receipt and the information he had quoted was what was provided to him on the call and in the policy documents. D&G said that it did not receive the receipt attachment.

I've thought carefully about this but I'm not persuaded that sending the email, possibly with an attachment that D&G may not have received, absolved Mr P of his responsibility. D&G sold the policy based on the information he provided and it was Mr P's responsibility to check the policy details on receipt of the documentation. I don't consider it was fair to simply quote back to D&G the policy cover and ask it to decide whether the policy was suitable and to cancel it if not. The sale was not advised, so Mr P would have been responsible for making the decision about whether the cover was appropriate.

Settlement

Mr P paid £5,500 for the TV. It's not clear, then, why he told D&G he'd paid £1,989 – a precise figure – when he bought the policy. I understand he may have received a contribution towards the TV from a family member, but I don't think that explains why Mr P would state a figure just below D&G's policy limit. I think D&G could reasonably have expected Mr P to state the purchase price of the TV, not just his contribution towards it.

Once D&G became aware of the purchase price, and that the TV did not meet the policy underwriting criteria, it would have been entitled to cancel the policy and return the premiums paid. Instead, it decided to settle the claim for the price Mr P said he'd paid for the TV. The premium refund would've been less than £200, but the cash settlement was just under £2,000. I would not have expected D&G to settle the claim, so I think it has gone above what might reasonably be expected.

Conclusion

While I've commented only on the main issues, I've looked at everything provided. In summary, I find that D&G reasonably sold the policy to Mr P based on the information he provided, and settled his claim as if it had been covered despite the TV not meeting the underwriting criteria. Given that D&G would have been entitled to cancel the policy and return the premiums, I find that it treated Mr P fairly and reasonably in the circumstances. Therefore, I see no reason to ask D&G to do any more in respect of this matter.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 January 2026.

Debra Vaughan
Ombudsman