

The complaint

Miss N is unhappy that Domestic & General Insurance Plc ('D&G') replaced her fridge freezer under her appliance insurance policy with one that she thinks it wasn't prepared to fully insure. The price for her insurance has also increased. She's also unhappy that her fridge has not been repaired and she's suffered financial loss due to food going off as well as significant stress. She'd like D&G to repair her fridge, fully insure it, and compensate her for her loss.

What happened

The parties are familiar with the background to this complaint, so I won't set it out in detail here. In summary, Miss N's old Swan fridge freezer broke down. D&G offered to replace it and gave her options for both a free replacement and an upgrade. She chose a free Hotpoint one.

Miss N has a number of appliance insurance policies with D&G. Following a dispute about another of those appliances, Miss N cancelled her policy for that machine. But she inadvertently cancelled the new fridge one too. When the fridge had some problems, she made a claim but was told by D&G that she'd cancelled her policy. It offered her a new policy, but Miss N has said that it wouldn't cover the new higher value of her fridge and sought to limit its liability to £200, for a higher monthly cost. Miss N says she'd never have agreed to have the new fridge if it couldn't be fully covered, as she relies on this type of insurance to protect her and her young family.

Miss N's fridge is still malfunctioning. The freezer is broken and the fridge doesn't seal properly, so food goes off more quickly.

In its final response to Miss N's complaint, D&G said that Miss N's policy had been cancelled as Miss N had been unhappy with the cost. A new policy had then been put in place with a lower monthly premium. But in October 2024, it says the direct debit for that policy was cancelled by Miss N too. So, D&G wrote to Miss N to tell her that if it wasn't reinstated, then it would cancel that policy as well, which it ultimately did in November 2024.

D&G says its insurance quotes change daily. It has offered Miss N a plan at £8.05 a month. It says it can't put Miss N back on the original plan's pricing but assured her that the price was correct for the higher value of the new appliance. It didn't uphold her complaint.

D&G says that the pricing that Miss N had in the past reflected the risk associated with the originally recorded purchase price of the fridge/freezer at £200, which it says she declared when she first took out the policy online in January 2023. When the policy was re-priced to reflect the actual purchase cost of around £1,600, this was then reflected in the higher price for the policy. So, it says it hasn't done anything wrong.

Following an investigation, our Investigator didn't think that D&G had acted unreasonably. He said that it was more likely than not that Miss N had incorrectly input the cost of the replacement Hotpoint fridge freezer online as £200. The original policy had been cancelled by Miss N, and it wasn't unfair or unreasonable for D&G to charge a higher price to reflect the actual £1,600 replacement cost of the new machine.

Miss N disagreed and asked for an ombudsman's decision. She has said that D&G told her that the fridge freezer at its higher actual value couldn't be insured by it. But D&G had already provided cover for over a year. She doesn't know where the valuation of £200 has come from as she bought her original Swan fridge freezer for £450. And she now has a malfunctioning fridge freezer which continues to cause her and her family problems.

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.

I'm sorry to disappoint Miss N but I'm afraid that I've reached similar findings to our investigator and won't be upholding her complaint. I'll explain below why I think confusion has arisen here and why I don't think D&G has done anything wrong.

I'm grateful to both parties for the evidence that they have provided. I have considered it all, but shall focus in this decision only on the main things that I think are relevant to the outcome. I mean no disrespect by not mentioning something that either party considers to be important, but we are an impartial and informal dispute resolution service and our decisions reflect this.

I can completely understand why Miss N has been so upset. And I appreciate that things cannot have been easy for her, having a young family and a malfunctioning fridge freezer. Miss N thinks that D&G wouldn't insure her replacement Hotpoint fridge freezer because its value was too high. But I think this is where the confusion seems to have arisen.

My understanding of the position is that it's not that it wouldn't insure the appliance because its purchase price was too high, but that it had undercharged Miss N for approximately a year and a half because of a mistake made in the January 2023 insurance application. At that time, the purchase price of the replacement fridge freezer was recorded as £200, despite its replacement value being nearer £1,600. Miss N says that this must have been D&G's mistake. But I've found that it was more likely than not Miss N that took that policy out online, and that she more likely than not made the mistake of recording the value at £200.

Miss N has said that she thinks the original policy for her Swan fridge freezer rolled into the new one. But I'm satisfied that the original policy was cancelled when the Swan one was written off, and that it was more likely than not Miss N that put that new policy in place online.

I know that Miss N thinks that she couldn't have made this mistake, as she originally paid £450 for the Swan machine that was replaced with the Hotpoint. And I can't know exactly why the mistake was made, but D&G do insure appliances with purchase values up to £2,000. So, I'm satisfied that D&G would have insured Miss N's new fridge freezer. Perhaps the mistake was made when filling in the online application form by typing £200, rather than £2,000, which could well have been a more reasonable estimate of what the replacement fridge/freezer might have cost, particularly if the exact figure wasn't known. But I'm afraid we'll never know.

I appreciate that Miss N is unhappy with the price she was offered for a new policy when the one for the replacement Hotpoint machine was inadvertently cancelled by her. Again, there appears to have been some confusion here. D&G insured Miss N's replacement Hotpoint fridge freezer from January 2023 to September 2024. The value had been incorrectly recorded as £200 as I've set out above. In September 2024, Miss N called D&G to remove a couple of appliances from cover. She also asked if there was anything that D&G could do on the price of her remaining appliances, including the fridge freezer.

D&G said it could reduce the price on a number of those. The fridge freezer was reduced to £6.55, and a new policy was set up, using the same information as the previous policy which Miss N confirmed. This included the incorrect £200 purchase price. When the direct debit

came to be taken later in September, the £6.55 couldn't be collected from Miss N's bank. So, D&G attempted to collect it again in early October, at which point it was successful. But Miss N telephoned D&G at that time to say she was unhappy that it had taken a direct debit when she didn't expect it. D&G explained what had happened, but Miss N was still displeased.

When D&G tried to take the October 2024 payment later that month, it found that Miss N had cancelled her direct debit. So, it wrote to her twice over the following month to ask her to reinstate it. As it didn't receive a response to those communications, it cancelled her policy. When Miss N complained, it offered to put a new policy in place at a higher cost. That was because it had by then come to light that the purchase price had been incorrectly recorded, and so the cost of the policy was higher. I don't consider that to have been unfair or unreasonable.

D&G is entitled to charge for its insurance policies at a price that reflects the risk to it. That's not normally a decision that this service would interfere with unless a mistake has been made or the customer has been treated unfairly or unreasonably in the way the price was set. As it had by then become clear that the value of the item to be insured was higher than originally declared, I don't consider that D&G have acted unreasonably in pricing the policy to reflect the higher risk amount.

Since this Service became involved, D&G have again offered to reinsure Miss N's fridge freezer, but the cost had to be that which its systems currently showed for an appliance of that value. A quote was given in September 2025 for £8.05 a month, which will have since expired. But I don't think that D&G need to do anything more than they've already offered to do here. That was a fair offer in the circumstances, particularly given that the December 2024 final response letter was a little confusing. If Miss N would still like insurance for her fridge freezer, she may be able to approach D&G again for a new quote.

I was sorry to hear about the upset and distress that Miss N has experienced as a result of all this confusion, and I appreciate that she still has a problem with her fridge freezer.

On the information available to me, it's not entirely clear whether the most recent breakdown of her appliance was whilst Miss N had a valid policy in place. It looks as though some parts were ordered in August, September, and October 2024, so D&G may well have honoured a repair then whilst the policy was still in force. But if the fridge freezer has since broken down again and Miss N thinks that she had a valid policy in place at the time it did, then this is something that she can raise with D&G for it to consider further.

As it's not something that has been dealt with in the final response letter of 24 December 2024 that I'm considering in this decision, I won't be making any findings on that aspect of Miss N's complaint here. If Miss N is to raise this with D&G and is still unhappy with its response, she may be able to bring a further complaint to this Service.

My final decision

It's my final decision that I don't uphold this complaint. I shall not be requiring that Domestic & General Insurance Plc do anything more that it has already offered to do

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 11 March 2026.

James Kennard
Ombudsman