

## The complaint

Mrs N has complained that Domestic & General Plc ('D&G') declined to settle her claim and cancelled her appliance insurance policy.

## What happened

Mrs N said that in May 2023 her TV fell off the wall and was damaged. Mrs N had taken out an appliance insurance policy in Aug 2022 with D&G and she therefore called D&G to report the incident and it booked the TV in for a repair. Mrs N said the engineer dragged the TV outside to his van along concrete and thought that he'd further damaged it in doing so. D&G said that the TV was unrepairable, and it provided a link with options to select a replacement TV. Her claim was then declined, and the link with the TV options was blocked.

Mrs N complained to D&G however it maintained its stance and Mrs N therefore referred her complaint to this service. The relevant investigator didn't uphold Mrs N's complaint. In summary, he considered that D&G hadn't intended to cover the TV and that D&G had previously made her aware of this. He considered that D&G had correctly refunded the premiums Mrs N had paid, as it had continued the policy in error. He considered this to be fair in all the circumstances, and he didn't ask D&G to take any further action.

Mrs N remained unhappy with the outcome of her complaint. The matter has therefore been referred to me to make a final decision in my role as Ombudsman.

## 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.

The key issue for me to determine in this case is whether D&G has acted in a fair and reasonable manner in declining Mrs N's claim and in cancelling her policy. I've concluded that it did act fairly and reasonably, and I'll explain why.

I firstly turn to Mrs N's submissions regarding this case. Mrs N said that D&G usually provided a like-for-like appliance or an upgrade in such circumstances if the same exact appliance wasn't available. However, she felt that the ones offered by D&G had been lower models and queried the issue. She said everything was proceeding fine, but then D&G cancelled Mrs N's policy. She made several calls to D&G however received no assistance. She said that this had caused frustration and disappointment.

Mrs N said that she'd been left in a position where her TV was still with D&G, had been written off, couldn't be repaired and, *'should have been replaced as per their policy, which they have conveniently cancelled and refunded the monthly payments...'* She now wanted a like-for-like or upgraded TV replacement, and compensation for *'all the time, trouble and frustration we had to deal with.'* She said her TV had been worth £2,000. In summary, Mrs N felt that D&G hadn't honoured the policy.

She remembered D&G saying that it didn't want to do business with her due to some concerns which they refused to explain. She said she'd never committed fraud or falsely claimed for anything, and that D&G didn't reply as to the reason for not covering her TV. During the currency of the policy, she'd been told that her cover was up and running and that there was no problem with her being a customer. She said that if D&G had repeated its concerns when she'd called regarding the initial payment, then she'd have looked at another insurance company to cover her TV. Instead, D&G had continued to take money from her, so she disputed that there was an error by D&G. She felt that D&G had lured her into buying more D&G policies when she thought she was phoning another company about warranties.

I now turn to D&G's submissions regarding this matter. D&G had sent a 'notice of termination' to Mrs N in mid-August 2022 which referenced unusual claims activity. In such cases, D&G said it reserved the right to cancel a policy and it said that the letter served as formal notice that Mrs N's accounts would be cancelled. It explained the nature of issues in relation to previous claims she'd made, that any repair service would be withdrawn, and that Mrs N would receive a refund of premiums. It stated, *'Any new contract taken out and/or repairs booked since this notice will be cancelled with no further notification.'* Finally, it stated that if Mrs N attempted to create an account with D&G in future, it reserved the right to immediately cancel the plan. D&G therefore considered that Mrs N was aware that it would no longer be providing any protection for her appliances.

As to the claim for Mrs N's damaged TV, it said that in mid-May 2023, it had received a report from the repairers assigned to the claim, advising that parts for the repair were no longer available. This generated an automated request for replacement as the plan was still pending cancellation and this was the reason why Mrs N had received a link with a selection of TVs. It had then paid a premium refund of nearly £90. It acknowledged that it had made an error in failing to cancel this policy when the notice of termination was sent in 2022.

D&G said in conclusion that it was confident that a full and fair investigation has been completed into the pattern of claims that Mrs N had made. It stood by its decision to remove cover and return any premiums paid.

As the starting point for my final determination of this matter I carefully considered the terms and conditions of the relevant policy as follows, *'If we have reasonable grounds to suspect that your claim is in any way dishonest, exaggerated or fraudulent then we may cancel the policy immediately (as well as any other policies you have with us) without any refund of premium or excess... We may cancel this policy as well as any other policies you have with us where there is a valid reason for doing so by giving you at least 7 days' written notice and you will receive a pro rata refund of the premium paid for the remaining unexpired days of your policy. Valid reasons include but are not limited to the following: where you fail to comply with certain conditions and obligations.. where you fail to pay for the policy...where you have (or anyone acting for you has) previously engaged in fraudulent activity and/or provided us with false information...*

I now turn to my reasons for not upholding Mrs N's complaint. It is clearly the case that insurers have the right to decline cover and to cancel cover in certain circumstances. I'm satisfied that D&G had expressed genuine concerns in August 2022, leading to cancellation of all future cover. I'm also satisfied that it had sent a 'notice of termination' to Mrs N in August 2022. I consider that, on the balance of probabilities, Mrs N received this clear notice. Her submissions support the fact that she was well aware of D&G's position, as she remembered that D&G had said that it no longer wished to do business with her

I note that the policy relating to the TV remained in place and that Mrs N had continued to pay for cover, however having read the relevant case notes, I'm satisfied that D&G had made a clear error in maintaining cover for this item. I appreciate that D&G had initially

accepted the claim, but then realised that the TV policy remained in place in error and refused to honour the claim.

I agree that it's most regrettable that this error was made. Indeed, it's concerning that D&G then set up further policies, also apparently in error, when it had made its position crystal clear in August 2022 when it informed Mrs N that it would no longer do business with her. It would be expected that D&G's systems would have identified and repeated its clear position. Nevertheless, as I've determined that Mrs N was well aware of the position, I consider that there was then a responsibility upon Mrs N to inform and flag-up to the relevant sales team the previous position and discuss these concerns with D&G. This would have ensured a full and frank discussion about any on-going or future cover.

I'm therefore satisfied that Mrs N was fully aware that all cover had ended, and it would be reasonable to conclude that she was also well aware of the implications of this when she made the claim for the TV. I also consider that, as D&G refunded the premiums, it did everything necessary to place Mrs N back in the position she would have been had the policy not been set up in error. I appreciate that Mrs N was deprived of the opportunity to seek cover elsewhere, however had she flagged up the previous concerns as above, she would have known the likely outcome of a repair claim to D&G.

As to the allegation that D&G's engineer had further damaged Mrs N's TV, the available evidence shows that the screen had been damaged when it was said the TV fell off the wall. I've seen no evidence as to the extent or nature of any further damage. However, the evidence showed that the screen following the original damage could no longer be replaced in any event, as the parts weren't available through the manufacturer. In the circumstances, I don't consider that D&G needs to do anything else in relation to this claim.

### **My final decision**

For the reasons given above, I don't uphold Mrs N's complaint and I don't require Domestic & General Plc to do any more in response to her complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 19 February 2024.

Claire Jones  
**Ombudsman**