

## The complaint

Mrs K complains about the way Domestic & General Insurance Plc (“D&G”) handled a claim made on her household warranty policy.

Any reference to D&G includes the actions of its agents.

## What happened

- Mrs K took out a household warranty policy for her washing machine in September 2023. The policy provides cover for mechanical and electrical breakdown, accidental damage, and labour costs.
- In October 2023, she made a claim on the policy as the machine wasn’t working properly. Ten days later, D&G’s engineer inspected the machine and reported multiple faults and that a number of parts were required. A few days later, Mrs K called D&G as she hadn’t received an update on her claim.
- Approximately two weeks after the engineer’s visit, Mrs K called D&G again saying she hadn’t heard from the engineer and hadn’t had a working appliance for over a month. D&G said it would chase the matter up and that it’d pay £96 compensation. During this call, D&G agreed to replace the washing machine.
- A week later, Mrs K said the compensation hadn’t come through. D&G advised it could take up to ten days. It also chased up the engineer’s report – which it received later that day.
- The engineer’s report said Mrs K refused the repair, and that she’d be in touch with D&G about a replacement.
- Mrs K remained unhappy with how D&G had handled things and so, brought a complaint to this Service. An Investigator considered it and upheld it. She said D&G needed to pay an additional £100 compensation to acknowledge the delay in paying the compensation and ordering the replacement machine.
- Mrs K didn’t reply to the Investigator’s view, but D&G did. It said owing to number of faults, it considered it highly likely the washing machine wasn’t in good working order at the time the policy was taken out. It hadn’t however, raised this with Mrs K.
- It said Mrs K had refused the repair, and that by not allowing the engineer to order the parts, caused her own inconvenience.
- It said it would have been within its rights to either question the working order of the machine at policy inception or advise Mrs K that she should had to continue with the repair. And that by replacing the machine and paying compensation it had made up for the shortfalls in its handling of the claim.

## **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 agree with the outcome our Investigator reached. In doing so, I've kept in mind D&G's responsibility as an insurer to handle claims promptly and fairly.

I appreciate D&G has said it could have insisted Mrs K accept a repair – because the engineer said it was repairable. But ultimately, D&G agreed to replace the washing machine and pay compensation for the inconvenience Mrs K incurred whilst being without one. So, even if with hindsight D&G *could* have reached a different outcome, it told Mrs K it was going to pay compensation and replace the machine – and so, this is what she expected to happen and what I'd expect it to do.

Given it agreed to do this in November 2023 and didn't pay the compensation until January 2024, I'm satisfied it didn't handle things promptly and caused Mrs K inconvenience - because she had to call D&G to find out when the compensation was going to be paid and was without a washing machine for this time.

D&G has said its offer to replace the machine and pay compensation was a gesture of goodwill, and so, it's done more than it needed to do under the policy. But that doesn't absolve it of its responsibility to handle matters promptly – which I'm persuaded hasn't happened here.

It's not clear if the onus was on Mrs K or D&G to order the replacement washing machine. But even if it was on Mrs K, it would have been frustrating for her to have not received the compensation D&G had agreed to pay in November 2023 until a few months later. And so, I'm satisfied compensation to recognise this failing is warranted.

D&G has also said it considers it more likely than not that the washing machine wasn't in good working order when the policy was taken out – and so, it wasn't required to repair or replace it. It says the machine suffering from multiple faults within ten days of the policy means it was more likely than not, not in good working order at the time the policy was taken out. I have considered this, but I'm not persuaded it changes things as again, even if this was the case, D&G didn't decline the claim on this basis, it instead agreed to replace the machine.

I accept Mrs K didn't mitigate her position – she could have had the machine repaired but chose to pursue a replacement – and so, the initial delays can arguably be attributed to her rather than D&G. But as I've said above, D&G agreed a replacement machine and compensation for inconvenience Mrs K said she'd incurred, but then didn't action this in a timely manner, therefore, causing avoidable inconvenience. And so, I consider it fair and reasonable in the circumstances to direct it to pay £100 compensation in addition to the amount already paid.

## **My final decision**

My final decision is I uphold this complaint and direct Domestic & General Insurance Plc to pay Mrs K £100 compensation. D&G must pay the compensation within 28 days of the date on which we tell it Mrs K accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or

reject my decision before 5 April 2024.

Nicola Beakhust  
**Ombudsman**