

The complaint

Mr F has complained that Domestic & General Insurance Plc (D&G) mis-sold his insurance policy.

Mr F has brought his complaint through a representative, who I'll refer to as Mr C.

What happened

Mr F held an insurance policy – underwritten by D&G – from 2015 to 2023. The policy covered Mr F's home entertainment equipment as well as several pieces of electronic equipment he owned. Mr F has also had various similar policies dating back to 2002.

In 2023, Mr C contacted D&G to complain that the policy had been mis-sold to Mr F. He said the set-top box the policy covered was obsolete, and so the policy didn't provide any value for Mr F. He said from 2016 onwards, the home entertainment provider offered a new set-top box which was rented, instead of owned by the customer, and so the policy was effectively worthless. Mr C asked D&G to refund all premiums paid from the 2020/2021 renewal onward – the point the new box became "*mainstream*".

D&G said the policy didn't just cover the set-top box, it covered all the associated equipment, plus several other pieces of electronic equipment which Mr F already owned. D&G highlighted there had been nine claims made on the various policies throughout the years, which demonstrated that Mr F understood the cover he had and had benefitted from it.

One of our investigators considered the complaint but didn't think it should be upheld. He said the policy covered more than just replacement of the set-top box; it covered other equipment from the home entertainment provider which Mr F did own, as well as several other pieces of electronic equipment he owned. Our investigator highlighted that Mr F had benefitted from cover under the policy when making previous claims. Our investigator also explained that if Mr F had concerns about how previous claims were handled, that would be a separate issue as this complaint was only considering whether the policy had been mis-sold.

Mr C (on behalf of Mr F) didn't accept our investigator's assessment. So, as no agreement has been reached, the complaint has been 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, while I appreciate it will come as a disappointment to Mr F (and Mr C), I agree with the outcome reached by our investigator. I'll explain why.

Mr C says the primary function of the policy was to cover Mr F's set-top box. He says this box was replaced in 2016 by a new one, which would have been owned by the provider rather than by Mr F. Mr C says that from 2020/2021 the new box had become mainstream and had there been an issue with Mr F's obsolete box, he would have simply been upgraded to the new equipment and no repair would have been undertaken. So, Mr C says the policy ceased to provide value from that point onward. Mr C acknowledges that the several other pieces of electronic equipment were covered under the policy but says these were old and low value. Mr C has also pointed out that Mr F's health issues meant it was difficult for him to engage with policy renewals and information.

I've thought carefully about everything Mr C has said and provided. I can see that the home entertainment provider did indeed introduce a new set-top box in 2016. But I haven't seen anything to persuade me that there was a requirement on Mr F to upgrade to this new box, nor that the policy he had wouldn't continue to cover his existing box and all the associated equipment (satellite dish, remotes, cabling etc), while his policy was in place.

In fact, D&G liaised with the home entertainment provider during its complaint investigation, and they confirmed that if a customer made a claim on the outdated equipment, they'd be offered an upgrade. But if they didn't want to, and a repair was possible, that a repair would still be carried out to the old equipment. I know Mr C has highlighted that from late 2023, this has changed, and the provider no longer recommend repairs to the old equipment. But as this change postdates this complaint, and cancellation of Mr F's policy, I don't think it's a relevant consideration.

Mr C has also explained that D&G failed to repair one of the pieces of electronic equipment, Mr F owned, when a claim was made for it. But as explained by our investigator, a poorly handled claim doesn't mean the policy itself was mis-sold, and it's only the mis-sale I'm considering as part of this complaint. Should Mr F wish to complain about the handling of the claim made for this, he should raise this as a new and separate complaint with D&G.

Mr C has questioned why Mr F wasn't advised by D&G to upgrade his set-top box, which he says would have meant the insurance would no longer be needed.

Mr F's policies have been sold/renewed on a non-advised basis. This means D&G did not, and were not required to, make a tailored recommendation to Mr F. I'm also not persuaded that it would be the role of D&G, an insurance provider, to provide a customer advice about what entertainment package or equipment they should or should not have.

I'm also not persuaded by Mr C's assertion that the policy would have ceased to provide value had Mr F hypothetically decided to upgrade, or as a result of a claim been upgraded, to the new box.

I say this because the terms and conditions of the policy Mr F did have, mention that cover can be provided for equipment which is owned by the provider. And aside from the new box, which would be owned by the provider, Mr F would have continued to own, and the policy continue to provide cover for, the associated equipment – including remotes, wireless router, TV Link, LNB, wireless connector, dish, and cabling. Also, while the newer box may be covered for breakdown directly by the provider, it would not be covered for accidental damage – the policy would have covered this. And it would have continued to cover the additional items Mr F insured too. So, even if Mr F had upgraded, I think the policy could still have been of value.

To summarise, Mr F (through his wife who was authorised to deal with D&G on his behalf) was aware of the cover and made use of it multiple times. Despite the home entertainment provider introducing a new set-top box, the policy Mr F had continued to provide cover for the box he did have, and the associated equipment, as well as the other electronic equipment he owned. And had Mr F upgraded, which he didn't, the policy would still have provided cover.

Taking all of the above into account, I don't think it would be fair to conclude that D&G mis-sold the policy, nor that it would be fair or reasonable to direct it to refund the premiums it received whilst cover was in place.

My final decision

For the reasons I've explained above, I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 7 August 2024.

Adam Golding
Ombudsman