

The complaint

Mrs P complains about how Domestic & General Insurance Plc (“D&G”) handled her claim for damage to her headphones under her gadget insurance cover. Mrs P is represented in her complaint, but for simplicity I’ll refer to her throughout.

What happened

Mrs P had an insurance policy with D&G covering accidental damage to gadgets.

She bought some headphones in June 2021 along with the accidental damage cover. In April 2023 the headphones weren’t working properly and she made a claim from D&G.

D&G accepted the claim and settled it by sending Mrs P a replacement set, which was a refurbished item.

Mrs P wasn’t happy about this being refurbished and she complained. She also said the headphones weren’t charging properly. D&G re-examined the case and said it thought it’d been pried open and had impact damage. It repaired the case, but Mrs P said it still wasn’t working properly. Her policy expired in June 2023.

Mrs P wasn’t happy and approached this service. In October 2023 she obtained a report from the manufacturer which said there was a problem with the headphones and that they would need to be replaced. D&G responded by saying the headphones would be written off, but it couldn’t replace them with a like-for-like set.

Our investigator looked into it and thought it would be upheld. She said she thought D&G should settle Mrs P’s claim according to the policy wording by paying her the current retail price of replacement headphones via a giftcard from the original retailer. She also thought D&G should pay Mrs P £75 compensation as it’d failed to repair them to a satisfactory standard.

Mrs P asked whether she could purchase replacements from the manufacturer, and be compensated for the distance she’d had to drive to have the headphones inspected. D&G didn’t agree with the compensation awarded in the view. Because it didn’t agree, this complaint has been passed to me to make a final decision.

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 upholding Mrs P’s complaint and I’ll explain why.

I’ve only provided a brief description of Mrs P’s claim for her headphones. What I’m able to say is that the cover provided in D&G’s welcome letter (and elsewhere in the wording) says that it’ll provide:

“A replacement if it can’t be fixed — this might be a refurbished or remanufactured

product”

Looking at the file, Mrs M reported a claim for the headphones. D&G replaced them, and the case, in line with its policy wording. I know Mrs M was disappointed by them being refurbished, but under its terms and conditions D&G can settle a claim in this way.

But Mrs P then reported that the replacement case had a problem and I can see that D&G dealt with this again, although its inspection of the case meant it looked like someone had tried to pry the case open. I think its actions in dealing with this are fair and reasonable.

However, shortly afterwards, Mrs P wasn't happy with the performance of the headphones themselves. The manufacturer provided a report saying that they were faulty.

This report was obtained while Mrs P's complaint was with this service. Mrs P explained that she didn't think her claim would be considered as her policy had expired, but they were faulty during the policy as they'd never been fixed.

This service then sent the manufacturer's report to D&G. It agreed to write off the headphones, but it couldn't replace them with a like-for-like, only by headphones from different manufacturers.

Mrs P explained that the headphones weren't working properly during the term of her policy, which then expired.

But in any event, D&G has said it would replace them, so I think it's fair that it now does so in line with the policy wording. What this means is that, if D&G can't replace the headphones, then it needs to send Mrs P gift vouchers to the replacement value of the headphones.

I've also thought about the inconvenience caused to Mrs P from D&G's claims process in supplying her with the replacement, ultimately faulty, headphones. I can see there's been some caused, and distress too. I've thought about this and I think the appropriate compensation should be set at £75.

My final decision

It's my final decision that I uphold this complaint. I direct Domestic & General Insurance Plc to:

- Pay Mrs P a total of £75 for her distress and inconvenience.
- Replace or provide a gift card for the value of the headphones in line with the policy terms and conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 10 January 2025.

Richard Sowden
Ombudsman