

complaint

Mr H has complained about the decision by Domestic & General Insurance Plc (“DGI”) to exclude cover for his 3D glasses under his appliances insurance policy.

background

Mr H held an appliances insurance policy that was provided free of charge through his bank. The policy, which was underwritten by DGI, provided breakdown and accidental damage cover for appliances bought with his bank card.

Mr H bought a 3D television and two pairs of 3D glasses. He registered each of these items on-line with DGI so that he could obtain cover for them under the policy.

Both pairs of 3D glasses later suffered accidental damage. Mr H tried to make a claim under his policy. However, DGI declined the claim, saying that the policy excluded cover for items or accessories that were intended to be replaceable. Mr H was unhappy at this response and referred the matter to this service.

Our adjudicator recommended that the complaint be upheld. He considered that the exclusion could not reasonably be applied to the 3D glasses. He thought that DGI should accept the claim.

DGI didn’t accept the adjudicator’s findings. It said that when Mr H went to register the items he would have been faced with a drop-down menu of product categories and would have seen that the 3D glasses fell under none of these. It noted that Mr H had incorrectly registered the glasses under the category of “plasma TV combination”. It considered that the lack of a suitable product category should have made Mr H aware that the glasses would not be covered under the policy.

In view of the continued disagreement, the matter has been passed to me to review.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I uphold this complaint. I shall explain why.

The policy states that it provides cover for breakdown or accidental damage of equipment bought with the bank card for between £75 and £2,000. Mr H’s 3D glasses met this requirement.

DGI says that it would have been clear to Mr H that his 3D glasses were not covered under the policy when he went to register the items on-line as they didn’t fall under any of the categories in the drop-down menu. DGI has not provided a list of these categories but I don’t dispute its assertion that none of them cover 3D glasses. However, I don’t think that this would necessarily have made clear to Mr H that these items couldn’t therefore be covered under the policy. The policy does not explicitly state that cover is restricted to particular product categories and Mr H may therefore have thought he just needed, for administrative purposes, to register the items under the category he thought most relevant.

I recognise that the policy schedules which were subsequently generated and sent to Mr H stated that his insured items were a plasma TV combination. However, it also recorded the correct manufacturer and model number of the 3D glasses. I think that Mr H might reasonably have assumed that the items were covered under his policy.

When DGI initially declined the claim, it did so on the basis that the policy excluded cover for the cost of replacing any item or accessory that was intended to be replaceable. The examples given in the policy included fuses, batteries, cables and plugs. I don't think that this exclusion could reasonably be applied to exclude cover for the 3D glasses which Mr H says had a recommended retail price of around £100 a pair at the time of his purchase.

Overall, I think that it was unfair for DGI to decline cover and that it should accept the claim.

my final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Domestic & General Insurance Plc to accept and settle Mr H's claim subject to the policy's remaining terms and conditions. If it settles the claim by way of a contribution towards the cost of a replacement, it should add interest to this amount at the annual simple rate of 8%, calculated from the date of Mr H's claim to the date of settlement.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 30 November 2015.

David Poley
ombudsman