

The complaint

Mr G is unhappy with how Assurant General Insurance Limited (trading as Lifestyle Services Group) handled a claim he made under his mobile phone insurance policy. Mr G is represented by his wife, Mrs G, but to keep things simple I'll refer only to Mr G.

What happened

Mr G had mobile phone insurance with Lifestyle Services Group ("LSG"). On 18 May 2019 he made a claim for Mrs G's phone, as it was included in the policy and the screen was damaged. LSG accepted the claim and received the damaged phone from Mr G on 29 May 2019. Mr G says LSG said it would repair or replace the phone in one to three days.

Mr G called LSG for an update on 3 June 2019 and LSG said it would replace the phone, as it wasn't repairable. Mr G called LSG for an update on 5 June 2019, and it said it had tried calling him the day before to check the phone's memory size. Mr G confirmed the memory size and LSG sent out the replacement phone, which Mr G received on 6 June 2019.

But the replacement phone was locked to a network. Mr G says he unsuccessfully called various mobile phone networks to try getting it unlocked but had to call LSG on 6 June 2019. It ordered a second replacement phone which Mr G received on 11 June 2019, though it was a different colour to the phone he'd claimed for and he noted the delivery confirmation email showed the second replacement phone had only been ordered on 10 June 2019.

Mr G complained to LSG, as he thought its errors resulted in delays to his claim being settled. Because, when LSG called him to check the memory size, it called him on the number of the phone it had for repair so he couldn't answer. And it already had the memory size, as Mr G had provided this at LSG's request when he registered the phone at the start of the policy. And because the first replacement phone was incorrectly locked to a network and LSG only ordered the second replacement phone on 10 June 2019. Mr G was also unhappy the second replacement phone was a different colour to the phone he claimed for.

LSG gave Mr G its final response on 11 June 2019. It said it hadn't done anything wrong in sending a different colour replacement phone, as the policy terms and conditions entitled it to do that. But it agreed the first replacement phone had been incorrectly locked and this had caused a delay. It apologised and offered Mr G £50 compensation for this.

Mr G was still unhappy so he asked our service to look into LSG's handling of his claim. He explained Mrs G was without a phone for longer than necessary, causing distress and inconvenience as their daughter couldn't contact her in an emergency and Mrs G couldn't access her messages. Mr G also said LSG was rude and abrupt in calls with Mrs G.

After looking into things, our investigator said LSG hadn't made an error by sending a different colour replacement phone and that LSG's calls with Mrs G would need to be looked at by LSG before our service considered them. But he thought LSG made errors by calling the number of the phone that was with it for repair and not calling Mr G on the other phone

numbers it held regarding his policy, and by asking for memory size information it already had access to. And he thought LSG caused delays by incorrectly sending a locked phone and by not seeing that the second replacement phone order had failed until Mr G called to chase things. The investigator said LSG's offer of £50 compensation wasn't enough and it should instead pay Mr G £125.

LSG disagreed. It said it called the number Mr G gave as a contact in his claim form and that Mr G hadn't stated the memory size when he registered the phone, so it was right to call and check. And that after this, Mr G took a day to call LSG which contributed to the overall delay. LSG didn't know why a locked phone was sent out but apologised for this. And said it found the second replacement phone order had failed whilst it was investigating Mr G's complaint, rather than as a result of Mr G telling it. LSG said the claim should have been settled on 6 June 2019 on delivery of the first replacement phone, but instead took a further five calendar days (three working days). It thought £50 was fair compensation for that delay.

Mr G also disagreed with our investigator. He thought £125 wasn't enough in light of the £25 policy excess and the time and effort he'd spent pursuing his complaint, including with our service. Mr G thought £200 was fairer compensation, as it would allow him to buy a suitable spare phone in case a similar situation happened again.

As both Mr G and LSG disagreed, this complaint was passed to me for a decision. After considering it, I contacted Mr G and LSG to share my thoughts. I clarified that while Mrs G's phone was covered under the policy, the policy was only in Mr G's name and so only Mr G was an eligible complainant. Therefore, I could only award compensation for distress and inconvenience Mr G was put to, and not Mrs G.

I thought LSG hadn't made any errors when it called Mr G to check the memory size. But its errors in sending an unlocked phone and its ordering of the second replacement phone caused unnecessary delays of five days. And that £125 was fair compensation for these delays, in light of the unnecessary distress, frustration and inconvenience they caused Mr G. I said LSG was entitled to provide a different colour replacement phone and that I wouldn't consider LSG's handling of calls with Mrs G, as I'd not seen that Mr G had complained to LSG about this first.

Mr G didn't provide any further comments. LSG apologised for sending a locked phone and the failure of the second replacement phone order. It explained the timescales it gave to customers were an aim rather than a guarantee, and it couldn't have foreseen or prevented the failure of the second replacement phone order. But it agreed it caused a five day delay in settling Mr G's claim, though it thought this was a relatively short delay and that two of these five days were at the weekend when Mrs G might have been at home and contactable on her landline if her daughter needed to call. So it thought the £50 compensation it had already offered was fair and didn't agree it should pay £125 instead.

I've now gone on to make my 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. Having done so, I'm upholding it.

delays

LSG received the damaged phone from Mr G on 29 May 2019. When Mr G called for an update on 3 June 2019, it told him the phone wasn't repairable and it would send a replacement. So LSG took five days to assess the phone and tell Mr G the outcome. I don't think that's an unreasonably long time.

LSG tried calling Mr G on 4 June 2019 to check the phone's memory size. Mr G says LSG had already asked for this information at the start of the policy, and he provided it. I've seen the registration information Mr G gave to LSG at the start of the policy, but it doesn't include the memory size. And the section of the policy terms that cover registration makes no mention of asking for the memory size. Instead it only says the mobile phone number, the make, model and IMEI number, and Mr G's bank account number and sort code are needed.

The claim form Mr G submitted doesn't include the memory size either. Further, LSG has provided screenshots to show that memory size wasn't something it could find out using the IMEI number. So I'm satisfied LSG didn't already have the memory size information it was calling Mr G to ask for. And since there are several different memory sizes this phone could have had, I don't think it was unreasonable for LSG to check which one was correct.

LSG tried calling Mr G on the number he'd given in the '*claim updates contact number*' section of the claim form. This was the number of the phone being repaired, but LSG wasn't unreasonable to call it as it was a number Mr G had said it could contact him on regarding the claim. However, Mr G also included another contact number in the claim form, and I've seen nothing to suggest LSG tried calling that when it couldn't reach him on the first number. In any case, Mr G called LSG the next day for an update, and confirmed the memory size then. So I don't think LSG not calling the other number caused a significant delay.

Mr G received the first replacement phone on 6 June 2019. I think the claim should have been settled at this point. But the replacement phone was incorrectly locked to a network. LSG accepts that was an error on its part, so that's not in dispute. LSG therefore needed to order a second replacement phone, but that order failed, which LSG also accepts was an error on its part. In the end, Mr G received a suitable replacement phone on 11 June 2019. LSG took thirteen days to settle the claim, five days longer than it should have taken because, as I've said, I think the claim should have been settled on 6 June 2019. So LSG's errors caused an unnecessary delay.

replacement phone colour

Mr G says the second, and final, replacement phone LSG sent was a different colour than the phone claimed for. But I don't think LSG has done anything wrong here, as the policy terms and conditions entitle it to provide a different colour replacement. Section 3 of the policy says '*We will attempt to replace your phone with one of the same colour but we can't guarantee to do this or replace any limited or special edition mobile phones*'.

LSG was rude and abrupt in calls

The examples Mr G has provided of this are that LSG wouldn't talk to Mrs G as she wasn't a policy holder, and that LSG said the terms and conditions entitled it to send a different colour replacement phone. I've not seen that Mr G has complained to LSG about its handling of these calls, so it's not something I can consider as part of this complaint. If Mr G wants to raise a complaint about these calls, then he should do so with LSG in the first instance so that it has the opportunity to address things. And if he remains dissatisfied, then he could refer his complaint to our service. But in any case, I don't think how LSG handled those calls is the crux of what Mr G is unhappy about. Instead, I think the crux of his complaint is the delays and the colour of the replacement phone. And these are the points I have considered.

Putting things right

In summary then, I think LSG took five days longer than it should have to replace the phone. LSG says its timescales are an aim rather than a guarantee, that it couldn't foresee or prevent the failure of the second replacement phone order and that this was a relatively short delay over a weekend when inconvenience might have been minimal. Nonetheless, it was still an unnecessary delay of five days that caused Mr G distress and inconvenience. I say that because Mr G needed to call LSG to put right the incorrectly locked phone. And he was concerned for longer than necessary about his daughter not being able to call that phone in an emergency, albeit for a relatively short period of time. And it's not fair or reasonable to assume someone would be at home over the weekend to receive landline calls.

I understand Mr G would like £200 compensation, to buy a suitable spare phone so he's not left in this position again in future and to reflect the inconvenience of having to pursue this complaint with LSG and our service. But the role of our service is to put consumers back into the position they should have been in if a business has made an error, not to prevent the impact of future errors that may or may not happen. LSG gave Mr G's its final response to his complaint on 11 June 2019, four days after he raised it. That's not an unreasonably long time and it's within the eight week timeframe businesses like LSG are entitled to when responding to this type of complaint. In addition, LSG has no responsibility for how long our service takes to investigate a complaint. So I don't think it would be fair or reasonable of me to ask LSG to pay Mr G more compensation for the reasons he's suggested.

Taking everything into account, I think £125 is fair and reasonable compensation for the distress and inconvenience LSG's errors caused Mr G.

My final decision

For the reasons set out above, I'm upholding this complaint. Assurant General Insurance Limited should pay Mr G a total of £125 compensation for the unnecessary distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 June 2020.

Ailsa Wiltshire
Ombudsman