

The complaint

Mrs and Mr H complained about Assurant General Insurance Limited. They aren't happy about the way it dealt with a claim under their mobile phone insurance policy.

Other companies have been involved in this complaint, but as Assurant are responsible for it, I've just referred to them in this decision.

What happened

Mrs H and Mr H made a claim under their mobile phone insurance policy. And after the phone was repaired and returned there remained a problem with it and so the phone was returned again to Assurant for further repair.

Assurant told Mr H that the repaired phone was returned to him when it wasn't. This meant that Mr H thought the phone had been stolen and blamed the delivery company. However, Assurant eventually established that it had lost the phone. It apologised to Mrs and Mr H and offered £200 compensation for the stress and inconvenience caused. And it offered to provide a comparable phone as their particular model wasn't available or pay a cash settlement. But Mrs and Mr H didn't think the phones offered were comparable or the cash settlement allowed them to buy a similar phone and thought that the compensation should be higher and complained to this service.

Our investigator looked into things for them and upheld their complaint. He thought the phones Assurant offered weren't comparable and that Assurant should do more given it had lost the phone and caused the problems Mrs and Mr H faced. He thought that it should pay Mrs H and Mr H the original cost of the phone and he thought that the compensation should be lifted to £250.

As Assurant didn't agree the matter 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 I think the complaint should be upheld. I know Assurant won't be happy about this, but I'll explain why.

As Mrs and Mr H have outlined Assurant have simply made a mistake here and lost their phone. They were expecting their phone to be repaired properly in the first place and yet they had to return it as the screen on the phone was cracked. And then Assurant told them the phone had been delivered when it hadn't before realising that it had in fact lost the phone.

Assurant has looked to consider its loss of Mrs and Mr H's phone in line with the policy terms and conditions. But as our investigator and Mrs and Mr H have outlined there isn't anything within the policy terms and conditions that covers circumstances like these. In this instance

Assurant has lost Mrs and Mr H's phone when they were expecting a fully repaired phone back. So, I don't think it would be fair to force settlement by solely following the policy as the circumstances that led to the loss are purely down to Assurant's error.

Given all of this, I think the fair and reasonable thing to do, in the particular circumstances of this case is for Assurant to put Mrs and Mr H back into the position they should have been but for its error. And as Mrs and Mr H's phone had a greater specification and memory on their phone than the comparable ones Assurant offered, and the cash settlement offered won't allow them to buy the same phone, I think it is fair that Assurant pays them the original cost of the phone. Then Mrs and Mr H can choose what they wish to do now in relation to a replacement - after all Assurant lost their phone.

Turning to the level of compensation I agree that it must have been stressful and embarrassing for Mr and Mrs H, especially as they accused their delivery company and driver (who was known to them) of stealing their phone when Assurant had lost it. I know they want £400 in compensation, but I feel that £250 feels fair, especially as Assurant is paying the full cost of their phone.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Assurant General Insurance Limited to pay Mrs and Mr H the cost of their phone (£879.20) and £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 18 March 2022.

Colin Keegan
Ombudsman