

The complaint

Mr V has complained that Revolut Ltd (“Revolut”) failed to make it clear that mobile phones were excluded from the purchase protection insurance that came with a fee-paying Metal account.

Mr V says this resulted in him suffering an uninsured loss, as his claim for a stolen iPhone under the purchase protection policy was declined. Mr V says that, had Revolut made it clear what items were not covered, he would’ve instead sought to insure his iPhone elsewhere.

To resolve the complaint, Mr V would like £999.

What happened

Revolut did not uphold the complaint. But it did offer to pay Mr V £50 as a gesture of goodwill. One of our adjudicators assessed the complaint and he did not think that Revolut needed to do anything more, beyond what it had offered to resolve Mr V’s complaint.

Mr V disagreed with the adjudicator’s assessment and asked for the matter to be considered by an ombudsman.

As a reminder, this decision will only address whether Revolut acted unfairly or unreasonably. It will not address whether the insurer dealt with the claim fairly.

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.

We’ve explained our approach to complaints about packaged accounts on our website and I’ve used that to help me decide this complaint. And having considered everything that has been provided, I don’t think Revolut needs to do anything more than what it has already offered to do, to put matters right. I’ll explain why.

Unfortunately, Revolut has provided very little evidence to show what Mr V would’ve seen when he took out the metal account. It has provided a full copy of the insurance terms and conditions, and they do include the terms and conditions for the purchase protection insurance. But the section that explains what is not covered under the purchase protection cover is on page 53.

Overall, I think that an exclusion that excludes cover for specific items under a purchase protection policy is a significant term of such a policy, and therefore is something that Revolut was required to have drawn to Mr V’s attention, when it sold the Metal account to him. And based on the little information I’ve been provided with, I can’t reasonably say that Revolut did draw this exclusion to Mr V’s attention before Mr V had agreed to it.

As I think there has been a shortcoming in how the Metal account was sold – based on the evidence I’ve been provided with – I now need to consider what detriment, if any, that Mr V suffered as a result of those shortcomings.

I note that Mr V took out the Metal account in January 2020, but did not buy the iPhone in question until October 2020. Therefore, I don’t think it’s the case he took out the Metal account specifically to cover the phone he purchased in October 2020. I say this especially

as I understand that he was able to take advantage of other benefits the account provided – such as cashback and use of Revolut’s investment service, before October 2020. Therefore I don’t think that it’s the case that Mr V would not have upgraded to the more expensive Metal account in January 2020, had the purchase protection exclusions been made clearer.

Nevertheless, I have considered whether the uninsured loss that Mr V suffered was caused by Revolut’s failure to draw his attention to the exclusion in the purchase protection insurance provided with the Metal account. However, I don’t think it was.

The reason I say this is because Mr V purchased his iPhone on 19 October 2020. And I can see he contacted Revolut by webchat on 2 November 2020 to ask if the accidental damage and theft cover i.e. the Purchase Protection Insurance, would cover his iPhone in such cases. And he asked what the difference was with the device insurance (an insurance policy that is sold separately to the Metal account).

In Revolut’s response on 2 November 2020, I can see that Mr V was told about what the Purchase Protection Insurance would cover (although it did not mention the phone exclusion) and also explained that the Device insurance would cover accidental damage, but not theft or loss.

Mr V then asked for clarification if a phone he purchased with the Metal account would be covered. Revolut responded on 3 November 2020 and explained that mobile phones and tablets are excluded from cover under the Metal account Purchase Protection Insurance.

Unfortunately, Mr V’s new phone was stolen on 17 November 2020. And when Mr V submitted a claim under the Purchase Protection Insurance, the claim was declined due to phones being excluded from cover.

So based on the above, I’m satisfied that Mr V was made aware that mobile phones were excluded from cover under the Purchase Protection cover, and that theft and loss was not covered by the separate device insurance, *before his phone was stolen*.

Nevertheless, as Mr V was given this information on 2 and 3 November 2020, I think that the uninsured loss he went on to suffer on 17 November 2020 was not due to the lack of information provided by Revolut when the account had been sold to him. I say this essentially because Mr V had a reasonable amount of time to take out cover elsewhere before the loss had occurred.

I note that Mr V has said that he was given the option of taking out insurance with his tariff provider when he purchased the phone, but says he declined it because he thought that the Metal account purchase protection insurance would cover it. However, the website for Mr V’s tariff provider says that its insurance products can be taken out for handsets purchased within 18 months of purchase (or within 60 days to include the manufacturer’s dedicated support feature, that was available for his particular handset).

So there was nothing to prevent Mr V from taking out insurance with his tariff provider, once he knew on 3 November 2020 that the Purchase Protection Insurance would not in fact cover his phone. And if it was the case that Mr V thought that his tariff provider’s insurance cover was only available when purchasing a phone, he still could’ve obtained cover from elsewhere.

As such, whilst I have some sympathy for Mr V, overall I’m not able to say that the uninsured loss he suffered was directly caused by Revolut’s failure to draw the mobile phone exclusion to his attention when it sold him the Metal account. I therefore don’t think it would be appropriate to require Revolut to pay Mr V the value of his claim.

Putting things right

Revolut has agreed to pay Mr V £50 as a gesture of good will.

My final decision

Because of the reasons given above, I don't think Revolut Ltd needs to do anything more than what it has already agreed to do, to put matters right.

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

Thomas White
Ombudsman