

The complaint

Mrs M complains about Assurant General Insurance Limited handling of a claim under her mobile phone insurance policy.

What happened

Mrs M has mobile phone insurance with Assurant. She made a claim on 25 June 2020 after the screen was damaged on one of the phones covered by the policy.

Mrs M says that when she's made previous claims, Assurant had paid for repairs which she got completed at an Apple store, using their walk-in repair service. But on this occasion they said that option was no longer offered.

When Mrs M complained about this, she was told the option has been discontinued because Apple stores had closed due the national COVID lockdown.

Mrs M had her phone repaired at an Apple store on 12 July 2020 – two and half weeks after she rang Assurant to make the claim – at a cost of £275. Apple stores – or some of them at least – were clearly open again by that time.

Mrs M asked Assurant to pay for the repairs (less the £100 excess), but they declined, saying she wasn't entitled to use the Apple walk-in repair service.

When Mrs M brought her complaint to us, our investigator looked into it and thought Assurant had acted unfairly in refusing to pay any of the claim.

She thought they should pay Mrs M what it would have cost them to repair the phone (less the excess). Assurant told us the repairs would have cost them £244.

Assurant didn't agree with our investigator's view and asked for a final decision from an ombudsman.

Mrs M also didn't agree with our investigator's view. She thought that Assurant had clearly declined a valid claim, that they should pay her the full cost of the repairs (less the excess) and that she should be compensated because Assurant had dragged out the process unnecessarily.

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.

There's no dispute here about what the terms and conditions of Mrs M's policy say. They say Assurant will either repair a damaged phone or replace it – possibly with a refurbished one - if it can't be repaired. There's no mention of Apple's walk-in repair service.

The policy also says that if a customer gets repairs carried out without first giving Assurant the opportunity to repair their phone, Assurant may decline the claim.

Assurant told us they'd put in place the option of the Apple walk-in repair to make for a better customer experience. It was only offered for certain repairs – and it was offered when a claim was made, rather than being notified to all customers at any point.

They say they stopped offering this option when Apple stores closed during lockdown. It seems to me they couldn't have done otherwise. And they say they then later made business decisions to put the option back in place and/or remove it depending on the situation at the time.

This explains why Mrs M was told in October 2020, when she called Assurant to add a phone to her policy, that the walk-in repair option was available for certain kinds of repair.

Assurant pointed out to us that they didn't immediately put the option back in play as and when Apple stores re-opened. It took them some time to roll out the process for their claim-handling staff.

I don't think that's unreasonable. And, more broadly, I don't think it's unfair or unreasonable for Assurant to decide – for their own business reasons – whether to continue to offer the walk-in repair option. It's not something that they offer in the policy terms – and it's the terms customers accept when they buy the policy.

So, I'm not going to ask Assurant to pay the full cost of the repairs Mrs M had completed in the Apple store.

I might have taken a different view, if Mrs M assumed the service was available – as it had been previously – and had the repairs completed before speaking to Assurant. But Mrs M called Assurant to make the claim and was told – as she readily admits – that the Apple service wasn't an option. But went ahead with it anyway.

In that context, I don't think it's unfair or unreasonable for Assurant to fall back on the policy terms and say that they won't pay in full for the Apple repair service.

However, as our investigator said, it would be unfair for Assurant to decline the claim altogether. They accepted the claim was valid when Mrs M rang them – and they haven't disputed this since then.

And so, despite the term in the policy which says they *may* decline a claim if the customer gets repairs carried out without giving Assurant an opportunity to do so, I don't think Assurant could reasonably, in this case, refuse to pay anything at all to settle the claim.

In short, Mrs M had a valid claim. It would have cost Assurant £244 to carry out the repairs. I'm satisfied they've checked that cost with their repairers. And it isn't far from the £275 it cost Mrs M to get a walk-in repair from Apple. So, that's what Assurant should pay to Mrs M (less the £100 excess).

Putting things right

Assurant should have settled the claim in July 2020 – and paid Mrs M £144 to reflect the cost of the repairs to them (£244), less the £100 excess.

I'm going to require Assurant to pay that amount to Mrs M now. And because she's been deprived of that money, I'm going to require them to pay 8% simple interest on that sum between the end of July 2020 (when the claim should have been settled) to the date they actually pay Mrs M the £144.

I'm not going to ask Assurant to add any compensation for Mrs M's trouble and upset. When she first made her complaint to us, she said Assurant had handled things in a reasonable time frame – if not with the outcome she wanted – so she didn't want us to consider compensation.

It appears she changed her mind on the basis that Assurant were unnecessarily prolonging the process by asking for a final decision from an ombudsman.

Assurant are entitled to ask for a final decision under the rules which govern our process, if they don't agree with the view offered by our investigator. It would be inappropriate, in that context, for me to say they had unnecessarily prolonged things by asking for a final decision, even if I am upholding the complaint.

I also bear in mind that the interest I've awarded covers Mrs M for being deprived of the money for the full length of time it takes for Assurant to settle her claim.

My final decision

For the reasons set out above, I uphold Mrs M's complaint.

Assurant General Insurance Limited must pay Mrs M £144 to settle her claim and add interest to that sum at 8% simple from 1 August 2020 to the date the payment is made.

If Assurant considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks/ask for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 2 May 2022.

Neil Marshall
Ombudsman