

The complaint

Mr S complains that Assurant General Insurance Limited (Assurant) unfairly declined part of his claim for two lost phones under his gadget insurance policy.

What happened

Mr S has gadget insurance with Assurant through his bank account. This provides cover for two mobile phones. Up to two successful claims are permitted in any 12-month period. A claim is not defined under the terms of the policy.

Mr S lost his two phones at the same time. He contacted Assurant to make a claim on 25 January 2022. He provided details of both the lost phones. And explained when he'd realised they'd gone missing he'd retraced his steps. But hadn't been able to find them.

Assurant accepted the claim for the first phone Mr S reported lost. But declined the claim for the second phone. They said that he was only entitled to make two successful claims within a rolling 12-month period under the terms and conditions of the policy. They noted that he'd made a previous claim for accidental damage to his phone on 17 September 2021, less than 12-months before the current claim. And that after he'd given them details of the first phone's loss, that had counted as the second claim. Therefore the claim for the second phone lost at the same time was declined as Assurant said the maximum policy claim limit had been reached.

Mr S was unhappy that Assurant had declined his claim for the second lost phone. So he complained.

Assurant issued their final response to the complaint on 25 January 2022. They didn't uphold the complaint. They also issued a claim decline letter the same day. They said they'd declined the claim for his second phone as he'd reached his claim limit.

Unhappy with this response, Mr S brought his complaint to this service. He said he'd read the terms and conditions. He agreed that they said that only two claims would be allowed in any 12-month period. But he said he had two phones on cover with Assurant. And that although he had made a claim in the 12-month period before he lost his two phones, his current claim related to the same incident and should be considered as a single claim, even though two phones had been lost. He said that Assurant had told him that they'd process both of his phones separately when he'd made the claim for the lost phones. But that after his claim for the first phone had been accepted, Assurant took the details of his second phone but then refused that part of his claim as they considered it to be his third claim in a 12-month period. Mr S would like Assurant to cover both his phones under one claim.

Our investigator considered Mr S's complaint. She didn't think it should be upheld. She felt that the policy terms were clear that there was a limit of two claims in a 12-month period. As she felt the policy terms had been applied fairly she didn't consider she could ask Assurant to do anything differently.

Mr S didn't agree with our investigator's decision. He didn't feel that the terms of the policy

explained that his loss should be considered as two claims.

As agreement couldn't be reached, this complaint came to me for a final decision.

I issued my provisional decision on 11 March 2022. It said:

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 intend to uphold it. I don't consider that the terms and conditions explain that when more than one phone is lost in a single incident Assurant will process this as more than one claim.

I acknowledge that Assurant followed their normal process when processing Mr S's claim. But I'm not satisfied that the terms and conditions of the policy explain this process to customers. Therefore I don't consider that they treated Mr S fairly when they processed his two lost phones as two individual claims. I'll explain why.

It's not in dispute that Mr S's first successful claim under his policy was made on 17 September 2021. He paid the excess fee of £100 and his claim was covered.

But when both his phones that were covered under the policy were lost in a single incident reported on 25 January 2022, Assurant told Mr S that only the first phone he gave them details for could be covered. Assurant's position remains that the correct decision was to decline Mr S's claim for his other phone as they considered it to be the third claim he'd made in a 12-month period.

I understand that it is Assurant's policy to process claims in this way. And I can see that the call handler Mr S spoke to when he made the claim for the two lost phones told him his claim would be considered as be two separate claims which would be logged separately. As this is Assurant's position, I understand why they feel that they fairly declined Mr S's claim for his second phone: "in line with the terms and conditions of the insurance policy as this would have been a third claim within a rolling twelve month period". But I don't think this is fair or reasonable to Mr S.

I say this because, while I agree that the terms and conditions do preclude more than two claims per account holder in any 12-month period, they do not define what a claim is. Nor do they explain that the excess will be payable for each individual phone. The terms and conditions simply state, on page 19:

There's a £100 excess for each successful claim.

The terms and conditions also state:

How to make a claim:

- *You should tell [policy administrator] about your claim as soon as you can upon discovering the incident.*

And on page 26:

Some important exclusions

- *Excess is £100 for each successful claim.*
- *No more than 2 successful claims per account holder in any 12 month period.*

Assurant have agreed with me that the terms and conditions don't specifically state that a claim will be considered as more than one claim: "if multiple devices are damaged, lost or stolen in the same incident". But told me that as a business, this is the process that they follow. They confirmed that their process assumes that any customer who claims for two phones that were lost, stolen or damaged in the same incident would need to individually register the phones when making the claim.

Assurant also said that the customer: "would also expect two separate claim settlements". They also said that if the customer received two claim settlements then they would also be expected to pay two £100 excess fees. They referred to the terms and conditions here, which state:

"You need to pay a contribution of £100 every time you make a successful claim for loss, theft, damage or breakdown, this is the excess. Your excess is payable for every accepted claim and must be paid before your claim will be settled."

Mr S doesn't agree with Assurant. He believes that the loss of both phones in the same incident should be considered as one claim, with one excess being paid for that claim. Assurant accepted that one incident occurred. But said that Mr S had made two claims. And that he would expect to receive two claim settlements.

I've carefully considered what Assurant and Mr S have said. And the evidence provided. And while I acknowledge that Assurant's process is to treat a single incident involving more than one phone as more than one claim, I don't agree that the terms and conditions allow them to do this. I also don't consider that the terms and conditions explain to the customer that this is what will happen in a case like this. I say this for a number of reasons. "Claim" isn't defined in the terms and conditions – so I don't agree that Mr S would expect to be making two claims for one incident. Or expect to pay two excesses. In fact, the terms and conditions link, under "How to make a claim", "a claim" and "the incident". So I consider that a reasonable reading of the terms and conditions is that one incident will lead to one claim, with one excess being payable.

Overall, I don't consider that Assurant have treated Mr S fairly and reasonably. I intend to ask them to treat his claim for both phones as one incident. And to charge him one excess payment. I do acknowledge that Assurant followed their usual process. But I consider that their terms and conditions are not currently worded consistently with that process.

Response to my provisional decision

Mr S accepted my provisional decision. Assurant didn't respond to my provisional 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.

No other new information has come to light to change my opinion. So I remain of the view I set out in my provisional decision.

Putting things right

I require Assurant General Insurance Limited to pay in full Mr S's claim for both of his lost phones. As they've already covered the cost of the replacement of one of the phones, they should now also cover the cost of the replacement of the second phone. They should not charge Mr S a second excess payment of £100.

My final decision

For the reasons given above, I uphold this complaint. I require Assurant General Insurance Limited to take the actions listed in the “Putting things right” section above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 6 May 2022.

Jo Occleshaw
Ombudsman