

## **The complaint**

Mr K complains Helvetia Schweizerische Versicherungsgesellschaft in Liechtenstein AG unfairly declined his mobile phone insurance claim.

## **What happened**

In April 2021 Mr K took out a Helvetia mobile phone insurance policy. The next day he made a claim, reporting the loss of his phone. Helvetia declined the claim, relying on a policy term to do so. The term required an active SIM card within a phone, but at the time of loss Mr K's was without one. The term said the SIM was required to allow the phone to be blacklisted.

Mr K complained that phones could now be blacklisted without a SIM. He showed proof that his had been. In response Helvetia continued to rely on the term to refuse the claim. Mr K wasn't satisfied so came to this service. He wants Helvetia to settle his claim.

In February 2022 our investigator considered the complaint. She said Helvetia had unreasonably relied on the term to decline the claim – as Mr K's provider had blocked the phone without a SIM card. So she recommended Helvetia reconsider the claim without reference to the term – and pay Mr K £100 compensation. He accepted that outcome. But as Helvetia didn't, the complaint was passed to me for a final 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.

Mr K's policy says Helvetia will replace his registered mobile phone in the event of loss. Loss is defined as *'The mobile phone has been accidentally left behind by you and you are permanently deprived of its use and unable to locate the mobile phone.'*

The policy also says Helvetia will not cover a phone that does not have a SIM card. It states *'Your phone must have an active SIM card in it that is registered with a UK service provider. This is to prevent widespread fraud as you can't blacklist a phone when there is no SIM card in it.'*

Mr K accepts his phone didn't have a SIM card in it at the time it was lost. So on the face of it the policy term could be said to apply. But when considering if a claim's been fairly declined, I don't only look at policy terms. I also consider the circumstances and industry guidelines such as ICOBS.

ICOBS says an insurer can only decline an otherwise valid claim due to a breach of a policy condition where the circumstances of the claim are connected to the breach. As set out above, the term explains why Helvetia requires a SIM card to be in place – to allow the phone to be blacklisted to prevent fraud.

I'm satisfied a phone can be blacklisted without a SIM. Mr K's provided a letter from his provider showing his phone was blacklisted on the day he made the claim. I've seen the

phone listed as such on a relevant website. So I'm satisfied Mr K's phone was blacklisted even though it didn't have a SIM.

I've considered Mr K's testimony and evidence for the claim – including proof of the phone's usage and his explanation for it being without a SIM on the day of its loss. I've taken into account Helvetia's points about the circumstances of Mr K's claim – and its wider explanation for requiring a SIM.

Whilst the phone didn't have a SIM, the purpose of requiring one (blacklisting) appears to have been satisfied. Helvetia hasn't satisfactorily explained how the absence of a SIM made a difference to circumstances of Mr K's claim – or what impact it had on the claim. So its not fair or reasonable for it to rely on that term to refuse his claim. Helvetia will need to reconsider it without reference to the SIM card term.

Our investigator recommended Helvetia pay Mr K £100 compensation. I think that's a fair amount to recognise the distress and inconvenience he's been caused by it unfairly relying on the SIM card term to decline his claim.

### **My final decision**

For the reasons given above, Helvetia Schweizerische Versicherungsgesellschaft in Liechtenstein AG will need to:

- reconsider Mr K's claim without reference to the SIM card term and
- pay him £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 July 2022.

Daniel Martin  
**Ombudsman**