

## **The complaint**

Mr A has complained that Apple Distribution International (Apple) sold him an insurance policy which it later cancelled without telling him.

## **What happened**

Mr A bought a watch on an online marketplace. He then contacted Apple to take out a policy to cover his watch. Several months later, Mr A checked his policy online and saw it had been cancelled. When he complained, Apple told Mr A the watch had been reported as lost by someone else, so it had cancelled the policy. It said it shouldn't have offered the cover in the first place and so would refund the cost of the policy.

While the complaint was with this service, Apple reviewed the complaint and said that in addition to it refunding the money paid for the insurance it would offer Mr A £100 compensation because it shouldn't have offered policy in the first place. Our investigator said this was a fair offer from Apple to settle the claim.

As Mr A didn't agree, the complaint was referred to me.

## **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 uphold this complaint and require Apple to pay the settlement it has already offered. I will explain why.

Mr A bought the watch on an online marketplace. He said the online sales listing said the watch had a warranty and was eligible for AppleCare+. Mr A contacted Apple and took out an AppleCare+ policy. Apple later cancelled the policy, but didn't tell Mr A. I can understand that Mr A was concerned Apple didn't tell him this. Instead, Mr A only found out the policy had been cancelled when he logged into his account a while later.

I've looked at why Apple cancelled the policy. From what I've seen, the original purchaser of the watch bought it from an online store approved by Apple. The original purchaser then reported the device as lost in transit. According to Apple, this meant the watch wasn't eligible for any support, including AppleCare+. Apple referred Mr A back to the online marketplace he bought the watch from, which it said wasn't an authorised seller for Apple devices. I think what Apple did was reasonable.

However, Apple now accepts it should have told Mr A the policy had been cancelled. When Mr A complained, Apple said it would refund the cost of the policy. While the complaint was with this service, Apple reviewed the complaint again and offered £100 compensation because it didn't tell Mr A the policy had been cancelled. In the circumstances, I think what Apple has now offered is fair. This is because it restored Mr A to the position he would have been in had Apple not sold him the policy in the first place, with some compensation to recognise the mistake Apple made by not telling him the policy had been cancelled.

I'm aware Mr A has said that if Apple had told him the policy had been cancelled, he could have raised this with the online retailer sooner. But I'm only looking at the actions of Apple and I'm not in a position to comment on the returns policy of the online marketplace. Based on what I've seen, Apple has responded fairly to the issues raised and I think it should refund the cost of the policy and pay £100 compensation in order to resolve this complaint.

### **Putting things right**

Apple should refund the cost of the policy and pay Mr A £100 compensation, if it hasn't done so already.

### **My final decision**

For the reasons I have given, it is my final decision that I uphold this complaint and require Apple Distribution International to:

- Refund the cost of the policy, if it hasn't already done so.
- Pay Mr A £100 compensation, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 July 2022.

Louise O'Sullivan  
**Ombudsman**