

## **The complaint**

Mr W complains about AWP P&C SA (AWP) who offered a lower value than the cost of the device, following a claim under his gadget insurance policy.

## **What happened**

Mr W damaged his phone and made a claim under the policy he held with AWP. He said that he sent all the documentation that was requested, as well as the damaged phone. He said that AWP offered him the following by way of settlement: the original purchase price of the damaged phone less depreciation. Which equated to what Mr W thought was the original price he had purchased the phone for minus 20% of value for depreciation and £75 excess. Mr W thought this was fair.

Mr W said that AWP then offered him a lower than expected price for the cost of the phone - £748 with a 20% depreciation which meant the amount offered was £598.40. Mr W said the cost of the phone was £1,179.

AWP explained to Mr W that the price that it took into consideration was the official market price dating back to the purchase date. And since the purchase of the device took place through a contract with a telephone operator and included other monthly expenses, the purchase price for the phone that Mr W bought was higher.

Mr W complained to AWP as he also had provided it with proof of purchase. But Mr W heard nothing further from AWP. So, he referred a complaint to our service.

One of our investigators considered the complaint and during her investigations asked for the full file and comments from AWP. AWP replied that it was the wrong business to set the complaint up against. Apart from this, our investigator obtained no further evidence from AWP.

Our investigator's view was that she could consider the complaint in the absence of AWP's engagement. She said that AWP should've handled Mr W's claim promptly and fairly and it shouldn't reject a claim unfairly. She felt that AWP had done just that. She recommended that Mr W's complaint is upheld and said that AWP should review the claim in line with the policy terms and conditions. As well as £150 compensation for the trouble and upset caused.

Mr W accepted the view, AWP did not respond and because of this, it has been referred to an ombudsman 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.

Having done so I uphold this complaint, for the following reasons:

- AWP was asked to provide its response to our investigator's view and any further evidence, but no response has been received. Mr W has provided a consistent account of the events that happened. In this case, despite the lack of response from AWP, I find I can decide on this complaint and I think it fair that Mr W has a resolution to the issues he raised, despite the lack of engagement from AWP.
- I've considered the policy documents to check who the correct business is. Having reviewed those documents, I'm satisfied that the correct business for this complaint is AWP.
- I've looked at the policy documents to see what the obligations were for both parties. Mr W had to return the damaged phone and the terms meant that the phone once received by AWP, became its property. The evidence showed that AWP had received the damaged phone. One of the terms of the policy is that AWP (if it decides to offer a financial reimbursement, will do so on the basis of the original purchase price of the device minus a percentage for depreciation and the excess charge of £75.
- Mr W has provided a proof of purchase document that indicates that the original purchase price of the phone was £1,179. The percentage of depreciation that AWP indicated was 20%, which meant that the amount would be £943.20 less the excess of £75, which would be £868.20.
- Taking all of the information into consideration, I think its fair and reasonable that AWP pay Mr W £868.20, for the damaged phone.
- AWP were invited to provide comments about the proposed resolution, but no response was received.

Finally, given the poor level of service that Mr W experienced, I agree with our investigator that AWP ought to pay compensation of £150 for the distress and inconvenience caused.

### **Putting things right**

I direct AWP P & C SA to put things right as I set out below.

### **My final decision**

My final decision is that I uphold Mr W's complaint.

To put matters right, AWP P&C SA ought to pay:

£868.20 towards the cost of Mr W's replacement phone

£150 compensation for the distress and inconvenience caused.

AWP P&C SA must pay the above amounts within 28 days of the date on which we

tell it Mr W accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 December 2022.

Ayisha Savage  
**Ombudsman**