

## **The complaint**

Mr S complains that American International Group UK Limited ("AIG") lost his phone when he returned it for a repair under his mobile phone insurance policy.

When I refer to AIG, this includes its agents and claims handlers.

## **What happened**

In August 2022, Mr S submitted a claim under his mobile phone insurance policy. AIG accepted the claim and on receipt of payment of the policy excess, it arranged for a courier to pick up Mr S' handset so that it could be repaired.

Mr S contacted AIG the next day to check his phone had been received and he was told the courier had no record of a parcel being collected. So Mr S raised a dispute.

AIG asked Mr S to provide the collection card, a description of the packaging, CCTV footage or photos of the collection taking place, and any emails/texts from the courier. Mr S responded saying:

*"The phone was wrapped in bubble wrap and has the claim reference number in it. I don't have card or any CCTV other than the text message and email."*

AIG rejected Mr S' complaint on the basis that he'd failed to provide any proof that his phone had been collected by the courier. As Mr S was unhappy, he brought it to our service. He provided us with the correspondence from the courier which we passed on to AIG.

From this, AIG were able to track down Mr S' phone which had been delivered to the wrong address, thought to be a driver error. AIG subsequently agreed to send Mr S a new handset, which I understand it has now done. Our investigator was satisfied that this was enough to resolve the complaint.

Mr S remained unhappy as he was left without a phone for three months, which he says is his main source of income. As he didn't agree with our investigator, the complaint was passed to me and I issued the following provisional decision.

## **My Provisional decision**

I understand Mr S is also unhappy with the replacement handset. But this would be a new complaint he'd need to raise to AIG in the first instance. Our service is unable to become involved until AIG has had the opportunity to respond, and so I won't be addressing this within my decision here.

Looking at the evidence provided by both sides, I'm inclined to uphold the complaint. I'll set out my key reasons below:

- AIG instructed the courier, so they were acting as an agent on AIG's behalf. This means AIG are responsible for their actions.

- The courier failed to record that a parcel had been collected.
- AIG asked Mr S for information to help it investigate whether or not the parcel had been collected. Mr S' response indicated that he had emails and texts from the courier, but I can't see that AIG responded to Mr S asking for a copy. I think it could've been more proactive here, rather than issuing a complaint response.
- Mr S provided our service with the correspondence, which shows he wasn't withholding the information.
- That said, I'm mindful that some responsibility lies with Mr S. I say this because AIG's initial email did ask for any emails/texts from the courier, so Mr S could've provided copies within his response rather than just saying he had them.
- Mr S is required to mitigate his loss. So when thinking about the distress and inconvenience he experienced from having no phone for three months, I need to take into account that Mr S could've obtained a cheap / second-hand handset whilst he was in dispute with AIG to ensure he could still earn an income during that time.

With these points in mind, I'm inclined to award Mr S compensation of £150 for the impact this complaint has had on him.

### **Responses to my provisional decision**

Neither party responded 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.

As neither party had any further submissions for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

### **My final decision**

For the reasons explained, I'm upholding this complaint and directing American International Group UK Limited to pay Mr S compensation of £150 for the distress and inconvenience he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 March 2023.

Sheryl Sibley  
**Ombudsman**