

The complaint

Mr A complains about American International Group UK Limited's (AIG) poor service and the decline of his claim under his gadget insurance policy.

What happened

Mr A held a gadget insurance policy with AIG. Whilst travelling abroad he lost the phone and made a claim. AIG asked for various items of evidence, over the course of a few months, which Mr A provided. But due to the delay in AIG progressing the claim, the claim expired and had to be re-logged. AIG finally accepted the claim in June 2022.

It instructed its delivery partner to deliver the phone to Mr A's home address. But Mr A said that he did not receive the phone. So, AIG contacted its delivery partner to find out what had happened. AIG said that the delivery partner had delivered the phone to the address given. And that it could prove this by the GPS data as well as a delivery photo.

Mr A said that he never received the phone and at the day it was delivered, he was at work. He said that he lived in a multi-occupancy house and no one else in the home took the phone in. He also questioned why no identification was asked for before the delivery was made, given the high cost of the phone. So, Mr A complained to AIG.

In its final response, AIG maintained its position that the phone had been delivered, so it wouldn't deliver another phone. Mr A was given his referral rights and referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. She said that AIG had not provided any GPS evidence and the delivery photo that it provided showed no identifying features that could support that the phone had been delivered directly to Mr A. So, she recommended that AIG replace Mr A's phone.

She also said that during the investigation of this complaint AIG had accepted that there had been delays and poor handling of the claim. It offered £170 for the trouble and upset this caused. But our investigator felt that this didn't go far enough and increased the compensation to £250, as AIG had allowed the claim to expire before re-opening it, as well as the poor handling.

Mr A accepted the view, AIG did not. It said that there was evidence that its delivery partner had delivered the phone to the correct location. It said that Mr A had never told it that the delivery address was a multi-occupancy home, until after the delivery attempt. Had the customer made them aware it could have made provisions or suggested delivery at an alternative address. It said the process the delivery partner followed was correct, so it wouldn't agree to replacing the phone. But it would agree to the £250 compensation as it accepted the poor service issues. So, it asked for a decision from an ombudsman.

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 will uphold this complaint. And I hope my findings explain why I think this is fair.

I have considered all the comments from both parties, and it seems that the main issue of this complaint is the delivery of the phone. AIG has accepted that there were poor service issues and agreed to pay Mr A compensation of £250, for the trouble and upset caused. I'm satisfied that given the delays, that the claim had to be re-logged and for the poor service, the compensation that AIG has agreed to is fair, for the trouble and upset caused.

Turning to the delivery. Mr A has given testimony that on the day in question, he was at work and so wasn't at his home to receive the phone. AIG has relied on its delivery partner's evidence that the phone was delivered to Mr A's address and was received by a person who answered the door. It said that it also relied upon GPS data that showed that the delivery took place at Mr A's address.

I note that I haven't been provided with this data. The evidence that I have been provided with are internet search photos, of the location of what AIG said is Mr A's home. I would have expected the GPS data to have shown the actual location of the courier at the time of the delivery.

In addition, the other evidence I have seen is a delivery photo that shows someone's legs and purports to have been taken outside Mr A's home. What is also seen in the photo is a package that the delivery person is holding in his hand. There is no evidence of who received the package or if the package was handed over. Taking all of this information into consideration, I don't think this is enough evidence to support that the phone was actually delivered to Mr A. And I'll explain why.

Both parties agree that the cost of the phone was high. Given that the replacement phone was expensive, the onus was on AIG to ensure that Mr A received the replacement phone. AIG could've instructed its delivery partner to obtain a signature or further details to ensure the correct identification of the person who the phone was given to. I understand from AIG that its couriers are able to carry out additional checks. But I can't see that this was done. And I don't think a photo of effectively a doorstep and someone's legs, was sufficient to support that identity checks were made and that the phone was given to Mr A.

AIG said that it had sent Mr A emails to inform him of the intended delivery and these were followed up with text messages. But it accepted that the email address that it had on file was the incorrect email and so it's likely that Mr A did not receive those.

Further, as Mr A stated he was at work, it's possible that he didn't see any text messages. In any event, without persuasive evidence that the phone was delivered directly to Mr A (which I haven't seen) I don't think that AIG has discharged its obligation to ensure that Mr A received his replacement phone.

Putting things right

So, to put matters right, I think it's fair and reasonable for AIG to replace Mr A's phone and pay him £250 compensation for the trouble and upset caused.

My final decision

For the reasons given, I uphold Mr A's complaint.

To put matters right, American International Group UK Limited to:

Replace Mr A's phone

Pay Mr A £250 compensation for the trouble and upset caused.

American International Group UK Limited must pay the above compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this it must also pay interest 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 A to accept or reject my decision before 7 September 2023.

Ayisha Savage
Ombudsman