

## **The complaint**

Mr C is unhappy with how American International Group UK Limited (AIG) has handled his mobile insurance claim and for the poor service it has provided.

Any reference to AIG includes all its agents.

## **What happened**

Mr C has mobile phone insurance and AIG is the underwriter.

In February 2023, Mr C's mobile phone stopped working so he submitted a claim with AIG. He sent this to AIG for repair and he sent a note with the phone which Mr C says was disregarded. However, the phone was set back to factory reset and an excess was charged which Mr C was unhappy about. He says he's lost all his personal and sensitive photos and information that was stored on his phone which are irreplaceable.

He made a complaint to AIG. It apologised for the poor service and offered Mr C £95 in recognition of this. It also said it was up to Mr C to ensure that the data was backed up and taken off the phone before it was sent to AIG. AIG apologised for the repairer's actions in not taking account of the note Mr C had left and accepted this this was not good service. AIG also said it cannot waive the excess fee that Mr C was charged as this is part of the terms and conditions of the policy.

Unhappy with AIG's response, Mr C brought his complaint to this service. Our investigator looked into it and initially recommended £500 compensation for the trouble and upset caused to Mr C. This was because he had specifically asked AIG to let him know if there was an issue with data being lost on his phone. He'd let AIG know that as the screen was the issue on the phone, he couldn't save the data he had on there as he couldn't see. He said there was important information and sensitive photos on the phone and didn't want to lose them. Our investigator thought AIG could have provided better service and should have thought about the instructions Mr C had given.

Mr C agreed with the £500 compensation.

AIG didn't agree with the amount of the compensation our investigator recommended. It said it agreed that trouble and upset had been caused to Mr C. But the terms and conditions are clear in that all remaining data and content will be erased as part of the claim process and to ensure all data is backed up before sending the device. AIG also said it sent clear instructions on what to do before the device was collected for repair.

Our investigator did a further review and sent a further assessment of the complaint. Having taken account of what AIG said, she thought it was fair and reasonable to recommend £250 compensation for the trouble and upset caused to Mr C.

Mr C disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed 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 agree with the conclusions reached by the investigator for these reasons:

- There's no dispute here from either party that the service provided by AIG was poor. So, I'll focus on what I think is a fair and reasonable amount of compensation for what happened.
- I've listened to the call recordings provided by AIG that took place between the two parties. When Mr C called on 13 February 2023, he did say he was concerned that data on his phone is not lost. The problem with the phone was the screen so he couldn't see what he was doing on the phone. We know that the note was disregarded when the phone was repaired, the device was reset to factory settings and Mr C's data was lost.
- I can understand why Mr C was unhappy. He had sensitive photos on his work and important work-related information as well which he didn't want to lose.
- I also acknowledge that Mr C was provided with the terms and conditions of the policy as well as information he was sent when he sent his device in for repair. Both of these said that he needed to ensure that all his phone data needed to be backed up as in order to repair the phone, it would have to reset to factory settings. This information was clear.
- In the circumstances here, I think Mr C had a responsibility to ensure his data was backed up; even more so if the information on the device was so important to him. I understand he said to the advisor that he didn't have a personal computer (PC) or laptop to log on and back up the device. However, he said he did have a tablet and I think it's reasonable for him to have backed up his data using this or gain access to another PC or laptop, so he could've done this.
- I also agree that AIG should've provided better service. I have every sympathy for Mr C and agree that if the data was not backed up, it's become irreplaceable because of its sensitive nature and I'm sorry for this. However, AIG had admitted its failing and apologised. It accepts that it should pay £250 for the trouble and upset caused to Mr C.
- On balance and taking everything into account, I think AIG did fail in the way it dealt with Mr C's device repair. While I understand it will be disappointing, I also think Mr C had a responsibility to back up his own data if it was so important to him and not rely entirely on AIG's actions. So, overall, I think £250 is fair and reasonable compensation for what happened in the circumstances here and for the reasons given above.

## **Putting things right**

To resolve Mr C's complaint, AIG should now:

- Pay £250 compensation in total for the trouble and upset caused to Mr C.

**My final decision**

For the reasons given above, I uphold Mr C's complaint about American International Group UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 August 2023.

Nimisha Radia  
**Ombudsman**