

The complaint

Mr and Mrs S complained about how Assurant General Insurance Limited (Assurant) handled their claim under their mobile phone insurance policy.

What happened

Mr and Mrs S' mobile phone became damaged. They made a claim with Assurant. The policy they have, allows Assurant to repair the phone with either refurbished or readily available parts, that may be unbranded and that are similar or of an equivalent specification.

Assurant told Mr and Mrs S to take the phone to its mobile phone technician and the screen was replaced. Mr S collected the phone and noticed that the colours on the screen appeared duller. He also noticed that the battery life drained significantly. He believed that the screen that had been replaced, was not of a same or equivalent specification. Moreover, he said that the screen was a LED screen and not an OLED screen, that had previously been on the phone. So, he complained to Assurant.

Assurant accepted that the screen that was replaced was a LED screen. It said that Mr and Mrs S ought to send the phone back for a warranty repair. But it also said that it couldn't guarantee that its engineers would find fault with the phone. And it reminded Mr and Mrs S that it was permitted under the policy to carry out repairs with either the same or equivalent specification.

As Assurant were unable to guarantee that it would repair the phone, Mr and Mrs S didn't send it back. They felt that the phone parts used were not of the same or equivalent specification. So, they raised a further complaint to Assurant.

In its final response, Assurant said that it had complied with the policy terms and conditions and that it was unable to replace the screen. As Mr and Mrs S were given their referral rights, they referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. She said that Mr and Mrs S were aware and happy for Assurant to use unbranded products. But the parts that it used to repair the phone, were not of the same or equivalent specification. So, she recommended that Assurant either replace the screen with an OLED screen or give Mr and Mrs S the cash equivalent, so that they were able to have the screen replaced elsewhere.

Mr and Mrs S accepted the view. Assurant did not. It said that although the replaced screen was a LED, this was equivalent to an OLED screen and a better screen. 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, for much the same reasons as our investigator. And I hope my findings go some way in explaining why I've reached this decision.

Mr and Mrs S' phone screen was an OLED. They made a claim as the screen became damaged. Assurant accepted their claim and replaced the screen with a LED. Mr S noticed that the phone's functionality became compromised, in that the battery drained and the colours on the screen appeared dull.

Mr and Mrs S raised a complaint to Assurant as the screen was a LED and not an OLED. Assurant said that it had replaced the screen in line with the policy terms and conditions. In that, it was permitted under the policy to use parts that were the same or equivalent specification. So, I think the issue of this complaint is whether the LED screen is an equivalent specification to that of the OLED.

Assurant said that it consulted with its repair manager and stated the following:

'There are two types of 3rd party OLED: hard and soft – the hard version being cheaper, but more prone to cracking and impact damage, the soft much more expensive and very thin, again susceptible to wear and tear damage- both potentially leading to customer dissatisfaction. However, working on the basis that Assurant would require acceptable quality then the customer would expect us to choose the best all-round solution. At the time Assurant chose the LCD option and placed emphasis on a high visual image accuracy and improved durability / longer life in service (benefiting customer and environment) The choice of LCD, combined the good visual quality, accurate colour reproduction and importantly reduces the fragility and eliminates image burn that develops and is present on many older devices.'

Mr and Mrs S said that once the OLED screen had been replaced with the LED screen, the colours were duller and moreover, the battery drained significantly (something they hadn't experienced prior to the screen being replaced).

In the absence of any further expert evidence, I did an internet search to see whether the LED screen can be considered to be an equivalent specification to that of the OLED screen. The information that is consistent across the board is that the OLED screen is a more superior screen. It has far better brightness, sharper images and higher contrast. Moreover, it doesn't drain the battery as significantly as a LED/LCD screens. In addition, there is no mention that it is less durable than an LED/LCD screens. The consensus is that the OLED is a better screen and isn't an equivalent to an LED/LCD screen.

Mr and Mrs S have confirmed that they are willing for an unbranded OLED screen to be fitted to their phone. And given, the evidence before me, I'm persuaded that the LED screen that Assurant installed wasn't an equivalent specification. Especially as the issues that Mr and Mrs S experienced (dull colours and battery drainage) are consistent with LED screens.

Putting things right

Consequently, I think that Assurant were unfair not to have replaced the screen with another OLED screen. So, to put matters right, I direct Assurant as below.

My final decision

For the reasons given, I uphold Mr and Mrs S' complaint.

To put matters right, Assurant General Insurance Limited to:

Deal with the claim in line with the remaining policy terms by either replacing the LED screen with an OLED screen (which can be an unbranded part) or.

Giving Mr and Mrs S the cash equivalent, so that they are able to get the phone repaired elsewhere.

If Assurant General Insurance Limited decide to offer a cash settlement, it must pay this within 28 days of the date on which we tell it Mr and Mrs S accept 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 S and Mrs S to accept or reject my decision before 3 October 2023.

Ayisha Savage
Ombudsman