

The complaint

Mr M has complained about delays in the handling of a claim he made against Telefonica Seguros y Reaseguros Compania Aseguradora S.A.U. trading as Telefonica Insurance UK Branch (Telefonica).

References to Telefonica include its agents and claims administrators.

What happened

When Mr M lost his tablet, he submitted a claim to Telefonica with whom it was insured on 27 February 2023. He was told that he should contact his network service provider's customer services team to request the barring of his lost tablet as his claim couldn't be progressed until this had been done. Telefonica's claims administration company is associated with Mr M's network service provider.

Mr M contacted his network service provider to request that his tablet be barred. He says he was passed between departments, kept on hold, and some calls were terminated. He was told that his tablet had been barred but when he contacted Telefonica again, he was told that the tablet wasn't barred and he'd have to contact his network service provider again. This happened multiple times between 27 February and 24 April 2023. Mr M was concerned about the security of his tablet's contents whilst his tablet remained unbarred.

Mr M complained to Telefonica. Its final response, issued on 12 May 2023, was that it didn't have the facility to bar or unbar any IMEI and it was a different legal entity to his network service provider. It therefore had to refer him to his network provider's customer services team for it to bar the IMEI of the tablet. It apologised that this caused delays to his claim, but it wasn't able to uphold his complaint. It said that once the IMEI had been barred, it could complete the assessment of his claim.

Telefonica's records show that when it reviewed Mr M's claim, it was found that there was an issue with the system used by its claims validation team. This caused its records to show that the tablet's IMEI wasn't barred when in fact it was. Mr M was therefore repeatedly referred back to his network service provider to request that it be barred.

Telefonica says that in an effort to resolve Mr M's concerns, it accepted his claim. It apologised for the issues that he'd faced and offered him compensation of £275. It didn't uphold his complaint in so far as it related to the delays to his claim and that he was transferred between multiple departments.

Mr M brought a complaint to this service. Our investigator's view was that Telefonica could have helped Mr M more than it did to ensure that Mr M's tablet was barred. He thought that £275 should be paid to Mr M as compensation for the distress and inconvenience he suffered for the period up to Telefonica's final response letter, 12 May 2023.

Mr M isn't satisfied with the amount of compensation recommended by our investigator, so his complaint has been referred to me as an ombudsman for a final decision from this service.

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'm upholding Mr M's complaint but I'm not going to require Telefonica to do more than it has already offered to do, and I'll explain why.

As our investigator has explained to Mr M, we can only look at what Telefonica has done or failed to do in relation to Mr M's complaint about the delay in the assessment of the claim he made following the loss of his tablet.

Because Telefonica's claims administrator is associated with Mr M's network service provider, there is scope for a confusion between two separate entities – Telefonica's claims administrators, and his network service provider. Some of the stress and upset that Mr M says he has suffered is not directly attributable to Telefonica but arose from his dealings with his network service provider.

Mr M contacted his network service provider on numerous occasions to request that his tablet be barred. Mr M has said that he was passed around departments, and on a number of occasions his telephone calls were terminated, the reason apparently being that there was difficulty in understanding what Mr M was saying. Telefonica's records show that these calls were not with it but with his network service provider.

But in my view, Telefonica bears much of the blame for the delay in handling Mr M's claim. It identified a fault in the system used by its claims validation team that showed that his tablet was still unbarred when it had been barred by his network service provider. It could've done more to assist Mr M.

I've listened to a call between Telefonica and Mr M's network service provider on 23 March 2023 in which his network service provider was asked to bar Mr M's tablet which it then immediately did and confirmed this done at 17:03 on 23 March 2023. This evidences that it was quite possible for Telefonica to take the initiative and liaise directly with Mr M's network service provider. Had it continued to do so the system error might have been identified earlier which would've allowed Mr M's claim to be assessed earlier and his many lengthy phone calls to his network service provider wouldn't have been necessary.

I accept that Mr M suffered considerable inconvenience and upset in having to repeatedly contact his network service provider to ask for his tablet to be barred when it appears that it already had been although this wasn't being picked up by Telefonica's claims validation system. He had a concern about the security of his data, although as the tablet was blocked his data wasn't in fact compromised. This issue wasn't resolved for approximately one month.

When a business is at fault, this service will consider whether compensation is appropriate and if so, what level of compensation is fair in the circumstances. Its role isn't to punish a business, but to recognise any upset and inconvenience suffered by a customer that is more than minimal or beyond what might reasonably be expected.

I take into account that Mr M suffered the upset of multiple calls to his network service provider over this period, but Telefonica isn't responsible for how those calls were handled – the passing between call handlers and the terminated calls - as it is a different entity.

I also take into account that Telefonica in its final response to Mr M on 12 May 2023 didn't make any reference to the system error and still required Mr M's tablet to be barred before it

could assess his claim. It was only following a review of Mr M's complaint that the system error was identified. This led to Mr M's claim being accepted and Telefonica offering Mr M £275 by way of compensation notwithstanding the extremely abusive written correspondence it had received from Mr M.

In my view Mr M experienced upset and inconvenience that was more than one might expect when dealing with such matters and was more than minimal. However the impact was relatively short lasting (other than any impact that Mr M's withholding of payments might have on his credit rating, for which I don't consider Telefonica is responsible).

Also, Telefonica is not directly responsible for the upset Mr M suffered in his dealings with his network service provider other than by the fact that he was required to contact it again each time Telefonica's claim validation team told him that his tablet still hadn't been barred.

I consider that the compensation of £275 that Telefonica has offered to Mr M is very much in line with what this service would award in similar circumstances. I'm therefore not going to require Telefonica to pay any more than this.

My final decision

For the reasons I've given above, I'm upholding Mr M's complaint.

I require Telefonica Seguros y Reaseguros Compania Aseguradora S.A.U. trading as Telefonica Insurance UK Branch to pay Mr M compensation of £275 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 November 2023.

Nigel Bremner
Ombudsman