

The complaint

Miss K complains about Inter Partner Assistance SA (“Inter Partner”) for the way it handled her damaged phone and her subsequent complaint about repairs. She wants Inter Partner to reimburse her costs of a new phone and to compensate her for her inconvenience.

What happened

Miss K had a Xiaomi Redmi upgraded version (11 pro) mobile phone. Around June 2022, Miss K purchased mobile phone insurance from Inter Partner and specified her phone details.

In July 2022 Miss K accidentally damaged her phone and the screen was broken. She submitted a claim, and her phone was sent for the screen to be replaced.

On 13 July 2022 the phone was returned to Miss K by Inter Partner with a replaced screen. It provided a 90-day guarantee for faults relating to the repair.

Miss K used the phone. She noted that line quality was poor when using the phone and the phone could no longer house a second sim as the casing had been changed. She later learned that calls she had been making since receiving her phone back were withholding her number from the recipient.

Miss K’s insurance premiums, due on 28 September 2022 and 28 October 2022 were unpaid. On 31 October 2022 Inter Partner wrote to Miss K cancelling her policy with immediate effect.

Around 1 November, Miss K contacted Inter Partner to report the fault with her phone. She believed these had been caused by the repair.

Inter Partner refused to consider the faults under the guarantee as it stated that the guarantee had expired on 15 October 2022. It also considered that the policy had been cancelled so said that Miss K was not able to make any further claim.

Miss K complained to Inter Partner. Inter Partner did not uphold her complaint.

Miss K contacted us.

Our investigator looked into this matter and did not consider that Inter Partner had acted unfairly. This was because the faults were reported outside of the guarantee period and because the policy had been cancelled.

I sent some further enquiries to the parties and indicated that I did not think that Inter Partner has acted in line with the policy terms by cancelling the policy with immediate effect. I therefore thought that Inter Partner ought to have treated the policy as continuing and considered the faults reported by Miss K as a new claim.

Inter Partner accepted my preliminary view and offered to replace Miss K’s phone, without requiring payment of the missed premiums and the excess.

This offer has been put to Miss K and she refused it. She reasonably pointed out that she had replaced her phone in the interim and had no use for a second phone.

Inter Partner has then amended its offer to be a cash settlement of the phone, based on the value of a refurbished phone, instead of replacement.

Miss K does not consider that the offer is adequate. She feels that she should be compensated for the inconvenience she experienced due to the phone not functioning properly, and for the length of time it has taken to reach this point.

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.

I understand that Miss K feels strongly about this matter, but it is important to be clear about what responsibilities the insurance provider has, and where it has made mistakes. The length of time that it has taken to reach this point is not due to the business so I cannot consider this further.

The terms of the policy allow the business to carry out repairs or replacement of a damaged device, and the terms include that Inter Partner may replace a device with a refurbished device.

In this instance, I accept that problems with the phone manifested after the repair of the screen was carried out, but I cannot say with certainty that the repair caused these, or that they ought to have been considered within the repair guarantee. This would require additional evidence which has not been available.

I am satisfied, however, that Inter Partner did not cancel the policy fairly and so the policy ought to have remained in place by the time Miss K reported the later faults. It should have considered the faults and either repaired, or replaced the phone in line with the terms.

If it had learned that these faults were caused by the screen repair, I would expect that it repair/replace free of charge. If it considered that the faults were new then it could have treated this as a new claim and applied an excess, in addition to deducting any owed premiums.

The business has offered to put Miss K in the position of having a replacement phone, or cash settlement as alternative, and to not require the premiums and excess to be paid.

I consider that this is fair and reasonable, and puts Miss K in the position she ought to have been in.

I appreciate that Miss K was caused inconvenience by the faults, and through having a faulty phone for a longer period than necessary, but in my view this is appropriately reflected in the offer to waive the excess and premiums.

It is inevitable that consumers suffer some inconvenience when their items are damaged and they have to deal with an insurance claim, and in my view the offer made by Inter Partner is fair to reflect the additional inconvenience it has caused.

Consequently, I think that Inter Partner has made a reasonable offer of settlement and I do not ask it to do anything further.

Inter Partner must cash settle Miss K's phone, on the basis of the replacement or cash alternative which she was entitled to under the policy terms, without requiring further payment from Miss K of either unpaid premiums or a further excess.

I understand that Miss K does not think this is adequate, but I am satisfied that this is in line with other awards we would make in similar circumstances.

My final decision

For the reasons given above I uphold Miss K's complaint and direct Inter Partner Assistance SA to:

- Cash settle Miss K's phone in line with the policy terms; and
- To not require further payment of, or deduct from the settlement, unpaid premiums or an excess.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 November 2023.

Laura Garvin-Smith
Ombudsman