

## **The complaint**

Mr and Mrs F complain about how American International Group UK Limited (AIG) handled a claim made under their mobile phone insurance policy.

References to AIG also includes its agents.

Mr F is the party who has made representations of behalf of himself and Mrs F in this matter. So, for ease, I'll refer to Mr F throughout this decision.

## **What happened**

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll focus on the reasons for my decision.

## **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 recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I uphold his complaint in this matter. I'll explain why.

Mr F says when he initially tried to book in a mobile phone repair, in August 2023, it automatically defaulted to replacement as the only option available. He's also tried various times since raising the claim and is unable to book a repair neither has he accepted a replacement due to the higher excess applicable to replacements under the terms of the mobile phone insurance policy.

It, therefore, appears as though replacement is the only option available for Mr and Mrs F in this claim. However, the policy terms imply a repair is available at some point(s) – the terms don't say, for some people/products, a repair option (and therefore the lower excess) is never available. In circumstances where a repair option (and therefore the lower excess) would simply never be available, I'm satisfied the relevant policy term is misleading as it's offering something Mr and Mrs F can never actually get.

AIG hasn't provided evidence to rebut the above or show a repair (and therefore the lower excess) can be available to Mr and Mrs F - as implied in the policy terms - it just wasn't at the time of their specific claim (nor at the other times Mr F sought to book the same).

Further, the Consumer Duty must be overlayed. As a result, the object should be for AIG to help Mr and Mrs F achieve their aim - it shouldn't be putting barriers in the way of a claim, as evident in this matter.

In light of the above, AIG can't fairly and reasonably rely on the term it seeks to use to decline Mr and Mrs F's claim for a repair of their mobile phone in this particular matter. I therefore uphold Mr and Mrs F's complaint.

### **Putting things right**

American International Group UK Limited must now put things right by taking the following steps:

1. Within 30 days of acceptance by the consumers of this decision being communicated to AIG, it must:
  - a. offer Mr and Mrs F a repair or replacement of the phone in question. This can be at AIG's election, however, the excess will be limited to £50 irrespective of the option chosen; or
  - b. Agree to cover the reasonable costs of repair - less the £50 excess - if Mr and Mrs F take the phone to a repairer and submit evidence of the cost to AIG for payment.
2. Pay compensation to Mr and Mrs F for the distress and inconvenience caused of £125.

### **My final decision**

I uphold Mr and Mrs F's complaint. American International Group UK Limited now needs to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 20 February 2024.

Rebecca Ellis  
**Ombudsman**