

The complaint

Mrs J is unhappy with the repair carried out by Assurant General Insurance Limited (Assurant) following a claim under her mobile phone insurance policy.

What happened

Mrs J has a packaged bank account which includes mobile phone insurance underwritten by Assurant. Mrs J dropped her phone causing damage to the screen, so she made a claim to Assurant.

Mrs J's phone was repaired by Assurant and returned to her. However, when attempting to sell the phone via a third party, they reduced their offer. This is because they said the screen wasn't functioning as it should be as it was missing a feature which made the colours and contrast more vibrant.

Mrs J complained to Assurant that they hadn't completed the repair correctly. She asked for them to pay for the screen to be replaced by the manufacturer. Assurant didn't agree and Mrs J approached the Financial Ombudsman Service.

One of our investigators looked into things and she initially didn't uphold the complaint. She said she thought Assurant had settled the claim in line with the policy terms, which said unbranded parts may be used and the phone was quality checked before being returned. She also said the missing feature was software related and wasn't covered by the policy.

Mrs J didn't agree and provided additional information in response, and the investigator looked into things again. The investigator agreed with Mrs J that the screen feature could be either software or hardware related and provided additional information to Assurant to show this. Following this, Assurant said that the phone still functioned as it should, was quality checked and the screen was replaced with a genuine part, but as a gesture of good will, they said they'd exchange Mrs J's phone in line with the remaining policy terms.

Our investigator relayed this to Mrs J, but she didn't agree. Mrs J said she wanted £289 cash so she could replace the screen via the manufacturer.

The investigator said that she thought Assurant's offer was fair and as an agreement couldn't be reached, the case was passed to me to decide.

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.

When Mrs J's phone was damaged, she made a claim, and the screen was replaced. Mrs J later tried to sell her phone to a third party. A reduced offer was made by them on the basis that the screen had been replaced (by Assurant), and one of the screen features which made the colours and contrast more vibrant wasn't working correctly.

Assurant said that they had repaired Mrs J's phone in line with the policy terms, and the phone had met their quality tests before being returned. And they said that the terms outlined that unbranded parts may be used. Assurant also said the screen feature was a software related issue, and software wasn't covered by the policy. So, Assurant said they had settled the claim in line with the policy terms.

Mrs J has said she's been unable to access these terms and has shown videos of Assurant's website where she was unable to access some parts of it. But even if she could, it's not clear what she would have done differently.

I say this because the mobile phone insurance is attached to a packaged bank account which comes with many other benefits. So even if Mrs J was able to access this on Assurant's website, and see that unbranded parts may be used, she might not have done anything differently in any event given the other features the packaged bank account had. And a full set of terms and conditions for the bank account, including insurance cover, would have been available from Mrs J's bank. But I can't hold Assurant responsible if Mrs J wasn't provided with these.

Regardless of this, the original complaint that was brought to us was that Assurant hadn't carried out an effective repair, as Mrs J's phone no longer had the relevant screen feature. And Assurant said it had carried out an effective repair in line with the policy terms so wouldn't be doing anything else. However, things have moved on since that point, with Assurant's latest offer. So, I'll focus on whether Assurant's latest offer is fair.

Following our investigator providing additional information to Assurant to show the screen feature could be both hardware and software related, Assurant said the phone had been quality checked and a genuine part had been used, but they offered to exchange Mrs J's phone in line with the remaining terms. However, Mrs J wants Assurant to pay £289 instead as a cash settlement, so she can have the screen replaced by the manufacturer.

Our investigator said that Assurant's offer to replace the phone was fair, and I agree.

Mrs J's policy covers repairs or replacement, rather than paying cash. As Mrs J is unhappy with the repairs that have been carried out and the missing feature, Assurant has offered to exchange her phone in line with the remaining policy terms. Whilst I note that Mrs J said her current phone is in good condition apart from the screen issue, there is nothing to show that the replacement won't be in a good condition either. And if Mrs J is unhappy on receipt of the replacement phone from Assurant, she'd be able to raise that as a new separate complaint. But at this stage, I think exchanging the phone in the first instance is fair, so I won't be directing Assurant to pay a cash settlement.

Having taken everything into account, I think Assurant's offer is fair and reasonable in all the circumstances of the case.

My final decision

It's my final decision that I uphold this complaint and direct Assurant General Insurance Limited to:

- Exchange Mrs J's phone in line with the remaining policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 18 March 2024.

Callum Milne
Ombudsman