

The complaint

Miss T complains that American International Group UK Limited (AIG) hasn't sent her a replacement phone after making a claim under her mobile phone insurance.

Where I've referred to AIG, this also includes any actions and communication by agents acting on their behalf.

What happened

Miss T has mobile phone insurance attached to her bank account. In June 2023 Miss T lost her phone so she made a claim to AIG, the underwriter of her mobile phone insurance policy.

The claim was accepted by AIG. The replacement phone wasn't delivered on the day it was due to be as the courier said they were unable to find the address.

The delivery was rescheduled for the following day and Miss T received a parcel from the courier as scheduled. However, Miss T says that when she opened the package shortly after the courier left, she found the box was empty. Miss T raised this with AIG.

AIG carried out an investigation with the courier. They said the weight of the package indicated the phone was in the parcel that was delivered, and this was supported by images taken of the package which didn't show any damage or alterations to the courier packaging. So, AIG didn't agree to send Miss T another phone.

As Miss T remained unhappy, she approached the Financial Ombudsman Service.

One of our investigators looked into things. He said that on balance, there wasn't sufficient information to conclude the phone wasn't delivered, so he didn't uphold that part of the complaint or recommend AIG provide a replacement phone.

However, he noted that since the complaint was brought to this service, AIG had recognised the communication with Miss T had been poor and they'd made an offer of £150 compensation. The investigator thought this was fair.

Miss T didn't agree and asked for a final 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, whilst I appreciate it'll come as a disappointment to Miss T, I've reached the same outcome as our investigator.

The dispute here is that Miss T says her replacement phone wasn't delivered, whereas AIG says it was delivered based on the information from the courier company.

The difficulty I have here is that I can't know for certain whether the phone was or wasn't delivered. Where there are conflicting positions, I have to decide on balance what I think is most likely to have occurred, based on all the information provided.

I understand that the replacement phone wasn't delivered on the original scheduled day as the driver said they were unable to find the address. I recognise that Miss T says this is unusual, as she regularly receives deliveries to her home without issue. However, the delivery was rescheduled for the following day, and the courier did then make a delivery to Miss T's home.

After receiving the delivery and the courier leaving, Miss T contacted AIG to tell them the box was empty. She also provided photos of the external packaging and an empty box. However, this in itself isn't enough to persuade me, on balance, that AIG needs to replace the phone.

I say this because AIG has confirmed with the courier company that the package weight was 400g. The replacement phone weighed around 240g. So, this would indicate the parcel was the expected weight for the replacement phone and packaging. I've also seen the images taken, firstly by the courier of the parcel at the time of delivery, and secondly the images Miss T took after delivery. However, none of these images show the parcel to have been tampered with, damaged, or to have been repackaged with the courier company branded tape showing previous tampering, interference or damage. So, the fact that the parcel weight was as expected, with no signs of damage or tampering, isn't enough to persuade me either an empty box was sent, or the phone was taken before delivery.

Whilst I appreciate it will come a disappointment to Miss T, I think AIG have carried out sufficient investigations with the courier company to confirm delivery of the package. And based on everything I've seen, I'm not persuaded that AIG needs to send Miss T another phone.

However, AIG has recognised their communication with Miss T was poor. Since the case came to us, they've offered £150 compensation for this. The file notes indicate that AIG was chasing the courier company regularly for updates, but they were reliant on them responding. But this did take longer than expected, and Miss T wasn't kept updated by AIG in the interim. So, I agree the communication was poor and Miss T should be compensated, and I think the £150 offer is fair.

I recognise that Miss T paid a £149 excess, so she says this compensation equates to her getting her money back. However, for the reasons outlined, on balance I'm not persuaded that AIG needs to send another replacement phone or there is enough to show an empty box was sent, or the phone was taken before delivery. With this in mind, I think the £150 compensation for poor communication is fair and reasonable in all the circumstances, and I won't be directing AIG to do anything else.

My final decision

It's my final decision that I uphold this complaint in part and direct American International Group UK Limited to:

- Pay the £150 compensation offered if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 20 March 2024.

Callum Milne
Ombudsman