

## **The complaint**

Mr T complains about the way Assurant General Insurance Limited handled his mobile phone insurance claim.

## **What happened**

Mr T has mobile phone insurance through his building society account. The insurer is Assurant.

Mr T's mobile phone was damaged under a vehicle. He made a claim, but there was a four-day delay before Assurant contacted him to accept the claim and collect the excess.

Assurant asked Mr T to send the phone to one address and the accessories to another address. He had to print and repeat the details of the damage that he'd already given Assurant when sending the phone to it. He complained about the claim process.

Assurant repaired Mr T's phone and returned it to him. He then contacted Assurant to say that when he'd removed the protective film to put on a new screen protector there were two scratches on the screen.

Assurant upheld his complaint about the claim delay and offered Mr T £25 compensation (which he asked it not to pay to him). Assurant agreed to pay for the screen protector and case. But it did not uphold his complaint about the claim process or scratches on the screen, saying that refurbished parts could be used and that cosmetic damage was not covered under the policy.

Unhappy with Assurant's response, Mr T came to us. Our Investigator did not uphold the complaint. She thought Assurant had not placed any undue difficulty on Mr T making his claim and was unable to conclude that Assurant had caused damage to the phone screen.

Mr T asked for an Ombudsman's review. He said that Assurant had accepted it used refurbished parts. Its response was to refer to its policy terms about cosmetic damage, but its terms did not say that imperfect refurbished parts could be used to repair his phone. He made the analogy of an insurer repairing a car panel with a used part containing a visible scratch. He said that this is not in line with his understanding of how an insurance policy should operate.

The complaint came to me for a review. I asked Assurant for the call recording of its complaint call with Mr T and some additional information. In summary, Assurant said:

- It cannot comment on the fact that scratches were under the protective cover when Mr T removed it. But it would have thought that the scratches would have shown in its own photographs taken before the protective cover is added and prior to dispatching the phone. The phone passed its 61 point quality check before being sent to Mr T. Had the phone not passed these checks it would have been returned to an engineer to rectify them.
- In response to my question, Assurant said it did not offer to take Mr T's phone back

for inspection as it classed the scratches as cosmetic that do not affect the functionality of the phone. (Mr T has not said the phone is faulty).

- It can't confirm if the parts in the repair were new or refurbished but they would be genuine parts. But Assurant confirmed it does not use parts with any visible cosmetic damage or wear. It said it is possible the scratches occurred in transit or in Mr T's possession.
- Assurant went on to say that the scratches shown in Mr T's photographs were "very tiny and minimal" and "any cosmetic damage, that doesn't affect the functionality of the phone, is not covered."

I put Assurant's comments to Mr T. In summary, he responded to say that he didn't consider Assurant had operated in the public interest. There was no way to prove the damage apart from his immediate call to Assurant after receipt. He hoped that Assurant no longer used damaged parts to repair phones. In response to our Investigator's comments that we were not a regulator he responded to say that a refund might be a reasonable settlement.

I issued a provisional decision saying that I intended to uphold the complaint in part. I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."*

*The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.*

*It's clear that Mr T was not happy with the overall claims process. But I think the central issue is that he says Assurant sent him a repaired phone with scratches on the screen, one of which could be felt when running a fingernail over the screen.*

*The policy says that:*

*"Repairs will be made using readily available parts, or we may provide refurbished products. These may contain parts that are of similar or equivalent specification, and these may include unbranded parts."*

*I've also listened to Assurant's telephone call to Mr T when it responded to his complaint. In that call, Assurant said that replacement parts could be fully refurbished and could have "some cosmetic differences". Mr T said the screen was a new one – not a refurbished one – but Assurant said it would not cover cosmetic damage that doesn't affect the "usability" of the part.*

*Having reviewed all the evidence including the photographs provided by Mr T and Assurant I am minded to find that:*

- *It's possible that Mr T scratched the phone screen himself. But, on balance, I don't think that's likely. He reported the scratches within a day of receiving the phone and made the point they were visible only after removing the protective film from the phone before applying his own screen protector. His evidence about the scratches has been clear and consistent.*
- *Assurant says that its photographs were taken before the protective film was added by its engineers and I see that its 61 point quality check includes a cosmetic inspection. It's not clear from Assurant's photographs whether there was a protective screen on the phone or not. But I think it's possible the phone was scratched between taking the photographs and applying the protective film.*

- *I think the information that Assurant gave Mr T during the complaint call was unclear and misleading, because Assurant said that it used refurbished parts “with cosmetic differences” for the repair. But from what Assurant has since said this is not the case, and it would not use parts with cosmetic damage to repair a phone. I think the earlier misleading information caused Mr T some real inconvenience and frustration. He said it was unreasonable for a phone to be repaired with a damaged part when this is not something Assurant says it will do in its policy terms.*
- *In responding to the complaint, Assurant referred to its policy that says “We only cover damage if it stops the normal functioning of your mobile phone. If it is just a scratch or dent, and your mobile phone still works as expected, then we will not repair or replace it.”*

*But this was not a claim under the policy for cosmetic damage. Rather, Mr T was complaining that the repair to his phone was not satisfactory. Assurant says the scratches were “tiny” but did not offer to inspect the phone, though Mr T said one of the scratches was deep enough to be felt with a fingernail. I would expect repairs to be carried out with reasonable care and skill.*

*I think it was reasonable for Assurant to acknowledge that there was delay in accepting the claim and it fairly paid for the damaged accessories. I can see that its claims process frustrated Mr T but insurance claims always involve the consumer in some administration and it’s not my role to tell Assurant to change or improve its process.*

*I appreciate that Mr T is concerned about Assurant’s response to his complaint about the scratched screen. He has not asked for Assurant to repair the screen again, and I would not usually require an insurer to refund a premium where it has repaired a phone under a policy.*

*But I think Assurant dealt poorly with Mr T’s concern about the quality of the repair, when he reported the scratches and it led him to understand it was entitled to use parts with cosmetic damage to repair his phone. That was not the case and the policy terms it quoted related to new claim under the policy. In the individual circumstances of this complaint, I think a fair outcome is for Assurant to pay Mr T some compensation for the distress and inconvenience it caused him. I think £100 in total is reasonable.”*

I asked Mr T and Assurant for any additional comments or evidence that they wished to give to me before I reached my final decision. I have not received any further submissions.

### **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’ve not received any further submissions to review. So I see no reason to depart from the findings I reached in my provisional decision and I confirm them here. I uphold this complaint in part for the reasons set out in my provisional decision as set out in full above.

### **Putting things right**

I require Assurant General Insurance Limited to pay Mr T £100 compensation for his distress and inconvenience.

### **My final decision**

For the reasons given in my provisional decision I uphold this complaint in part. I require

Assurant General Insurance Limited to pay Mr T £100 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 30 April 2024.

Amanda Maycock  
**Ombudsman**