

The complaint

Mr M's complaint is about the handling of a claim made under his mobile phone insurance policy with Domestic & General Insurance Plc.

What happened

In July 2023, Mr M contacted Domestic & General to make a claim, as his phone had been stolen. Mr M provided a copy of the report he made to the police of the incident in which he said the phone had been snatched from his hand by two teenagers.

Domestic & General said that the phone needed to be blocked by the network before it would proceed with the claim.

Mr M said he had tried to have the phone blocked but his network provider would not block the phone without proof of the IMEI number he had given it on a purchase receipt. Mr M has provided his receipt for the phone but the IMEI number is not given on the receipt.

Domestic & General says the policy states clearly that the customer has to have the IMEI number of any stolen phone blocked; this is standard practice and not an unreasonable requirement. It therefore maintained its refusal to proceed with the claim and said Mr M needs to complain to the network provider.

Mr M is unhappy with this and brought the matter to this service.

One of our Investigators looked into the matter. He recommended the complaint be upheld, as he was satisfied that Mr M had done what he could to have the phone blocked and as there was no evidence that the claim was not otherwise valid, it was not reasonable for Domestic & General to refuse the claim.

Domestic & General does not accept the Investigator's assessment. It says it would be a "*slippery slope*" if it accepted the outcome. It says it is industry standard to require the IMEI number to be blocked and this would allow people to claim for a stolen phone without having the IMEI number blocked. Domestic & General also says there are apparently other ways of getting a IMEI number blocked and that the network are being difficult but its policy terms are clear.

As the Investigator has been unable to resolve the complaint, it has been passed to me.

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.

Mr M's policy provides cover for theft of his mobile phone. In order to refuse the claim Domestic & General has to establish, on the balance of probabilities, that a policy term or exclusion applies that means it is entitled to refuse the claim.

Domestic & General relies on the following policy term that says:

“How to make a claim

Claims for theft (mobile phones only)

... for theft claims:

- 1. Contact the appropriate police authorities as soon as possible, requesting a crime reference number or police report. If you are unable to do this, we will still consider your claim but it may affect whether we accept your claim.*
- 2. Contact your airtime provider and report the theft in order to have the IMEI number blacklisted.”*

This is not a policy exclusion but a policy condition to assist in establishing a claim and proving a loss. I do not consider it an unreasonable requirement in general. However, it is my job to determine if it is fair and reasonable for Domestic & General to refuse the claim for not complying with this condition.

The rules about how insurers such as Domestic & General handle claims include that they should handle claims fairly, provide reasonable guidance to help a policyholder make a claim and not unreasonably reject a claim.

The relevant insurance practice rules also state that the rejection of a claim for breach of a condition or warranty is unreasonable unless the circumstances of the claim are connected to the breach. So in this case, this means that Domestic & General would have to establish that the fact Mr M has not been able to block the phone is connected to the loss in some way. I do not consider this is the case.

It is for a claimant to establish their claim. Mr M has provided proof of purchase of the phone he is claiming for and a police report of the theft. There is no evidence, as far as I am aware that he did not own this phone or that the loss did not happen in the way he says. He has therefore on the face of it established his claim under the policy.

Mr M has tried to have the IMEI number blocked by his network but it has refused to do so without a receipt with the IMEI number on it. Mr M's receipt does not provide the IMEI number. The Investigator has obtained evidence that this is not an uncommon issue with the retailer and the network concerned. Given the particular circumstances of this case and that there is no reason to doubt Mr M has suffered the loss he has claimed for, I do not think it is reasonable for Domestic & General to rely on this policy condition to refuse the claim.

Domestic & General has said it is concerned that allowing Mr M's claim without this condition being met will open it up to potentially fraudulent claims in the future. I can understand that the blocking of the IMEI number gives another piece of evidence to support the validity of a claim but we do not operate a system of precedent and I have to consider each case on its individual merits. That means I have to assess what I think is fair and reasonable in the particular circumstances of this case. Having done so, I think it is unreasonable to insist on compliance with a policy condition which Mr M has not been able to meet through no fault of his own and which does not relate to the loss.

Domestic & General should therefore proceed with the claim, in accordance with the remaining terms of the policy.

I also consider that Domestic & General should pay Mr M the sum of £50 compensation for the trouble this has caused him.

My final decision

I uphold this complaint against Domestic & General Insurance Plc and require it to proceed with Mr M's claim, subject to the remaining terms of the policy; and to pay him £50 compensation for the distress and inconvenience caused by its handling of the matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 July 2024.

Harriet McCarthy
Ombudsman