

The complaint

Mr H is unhappy with what Watford Insurance Company Europe Limited did after he made a claim on his gadget insurance policy.

What happened

In February 2024 Mr H made a claim on his policy as his phone had stopped working. Watford asked him for further information (including proof of purchase) and agreed that on receipt it would reimburse Mr H for the cost of repairs to the phone at the price he'd been quoted less the policy excess. It asked for a receipt to show the work had been done.

It then raised queries about the proof of purchase Mr H provided including why this was in a different name to his. Mr H explained that was because his father had bought the phone. Watford asked for confirmation of their relationship and turned down the claim at the start of March. It said that was because the phone Mr H was claiming for was different to the one recorded on his policy schedule. And it was concerned a proof of purchase he'd submitted said the purchase date was August 2024 and that document had been edited after creation. It thought this had been falsified.

Our investigator thought it was reasonable of Watford to ask for evidence the repair to the phone had been carried out and for proof of ownership. But she said despite requests it hadn't provided the evidence it relied on to say the proof of purchase document had been falsified. So she thought it was wrong of Watford to tell Mr H that was the case. She accepted Mr H's policy listed a different model of phone to the one he was claiming for. But as that was a more expensive phone (for which he'd paid an increased premium) she didn't think it was fair of Watford to rely on that to turn down his claim. So she thought if Mr H was able to provide the further information it had asked for Watford should reconsider the claim against the remaining policy terms.

She also reviewed calls between Mr H and Watford. Having done so she didn't think there had been further failings by Watford in that contact with him. And she noted Mr H had been abusive towards handlers during those calls. She accepted conditions which impacted Mr H could have played a part in how he reacted, but she thought Watford acted reasonably in cancelling his policy. She didn't think there was anything more it needed to do to put things right beyond reconsidering the claim he'd made.

Watford didn't respond to her recommendation. Mr H didn't agree. We subsequently received detailed comments from a support worker who said she was making representations on his behalf.

In summary she drew attention to the impact the allegation of fraud had on Mr H and said compensation of at least £10,000 should be paid to him. So I need to reach a final 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.

The relevant rules and industry guidelines say Watford has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably

Did Watford fairly turn down Mr H's claim?

I've looked first at the terms and conditions of Mr H's policy. For cover to be provided a mobile phone "*must have been purchased within the last 24 months...prior to the inception of your subscription period*". It's a condition of cover that "*You own all items to be insured*". And 'You' is defined as "*the named policyholder on the schedule*" which in this case is Mr H.

The policy also says to prove a loss Watford can ask for evidence which includes (though isn't limited to) proof of purchase. And it defines that as "*An original receipt and any other documentation required to prove your insured item was purchased from a UK registered company and that it is owned by you including the date of purchase, make, model, and where applicable, the serial/IMEI number and the value at point of purchase*". Mr H's policy schedule lists three items which are insured including an 'iPhone 14 Pro 512GB'.

Following his claim Watford established the phone he was seeking to claim for was different to the one insured under his policy. Mr H subsequently said that when taking out his policy he input an iPhone 14 rather than the iPhone 13 he actually wanted to insure. I've considered the position on that. I think it's possible Mr H had more than one phone and chose to insure the more expensive one when taking out cover. And he subsequently sought to make a claim for a phone that had suffered damage but for which he hadn't paid for cover.

However, I've also taken into account that Mr H told us he has medical conditions which cause particular difficulties in understanding number based information. Taking that into account, and on balance, I think it's more likely Mr H simply made a mistake when inputting his phone model (I understand he was using text to speech software at the time). Given that, while I accept the phone he's claiming for isn't the one listed on his policy schedule, I don't think it's fair of Watford to decline the claim on that basis. I think that's supported by the fact the phone listed attracts a higher premium payment than the one he actually had.

Watford also said in contact with Mr H it thought a proof of purchase document he provided had been falsified. That appears to have been based on the date and time that document was last modified. However, it hasn't provided us with the evidence it relied on to reach that conclusion. And Mr H has provided information from his mobile phone provider which said "*these documents were also sent in a PDF format and therefore cannot be altered by anyone else*". As Watford hasn't evidenced its position I can't conclude it was appropriate of it to rely on this as a ground for declining his claim.

However, in order for Mr H to have a valid claim he would also need to show the phone he was claiming for was one he owned as it's a condition of cover that "*You own all items to be insured*". That appears to be why Watford asked him for evidence the individual on the proof of purchase was his father. I understand Mr H wasn't able to provide the requested information (a birth certificate) because he doesn't have one.

But I'm not clear in any case how this would have assisted in establishing proof of ownership of the phone. The issue isn't in itself the relationship between Mr H and the purchaser but, presumably, whether they'd transferred ownership of the phone to Mr H. So while I think it was reasonable of Watford to seek information about this I'm not sure how the information it actually asked for would have assisted. I think what Mr H should have been asked for was information from the purchaser of the phone confirming ownership had been transferred to him. If Mr H is now able to provide satisfactory proof of ownership to Watford I'd expect it to consider his claim against the remaining policy terms.

Accusation of falsifying a document

I've already concluded Watford hasn't evidenced to us Mr H did falsify the proof of purchase of document he provided. So I've thought about the impact of that on him and whether there's anything Watford needs to do to put things right in relation to this. The impact on Mr H was outlined in a letter he sent us from a support worker. However, I've seen evidence which satisfies me that letter wasn't from the support worker and doesn't reflect her views on his complaint. I also note the email address the letter was sent from is different to her professional address. Given that I'm not going to attach weight to the points made in that letter as I'm not persuaded these represent the views of a professional representative.

The issues raised by that also cause me to question the comments Mr H has made about the impact of this accusation on him. Nevertheless, while I don't think the adviser he spoke to acted in an intimidating way (as Mr H suggested) I appreciate anyone in that position would likely have been caused distress on being told about the issues raised by the proof of purchase information. However, I'm not persuaded the impact Mr H says that had on him could be said to be a reasonably foreseeable result of what Watford got wrong or that it flowed directly from that mistake. And having carefully weighed up the evidence about the impact which did result from what Watford got wrong I'm not persuaded a payment of compensation is justified in the particular circumstances of this case.

Customer service

Mr H says Watford agreed he could get his phone repaired and it would reimburse him for the cost of this. I appreciate in two calls on 26 February he was advised he could progress the repair of his phone and his policy would then reimburse the cost of that less his excess. I recognise that may well have played a part in Mr H's decision to go ahead with the repair.

However, he was told in the first of those calls that reimbursement would be subject to the provision of documentation in relation to his claim including evidence of proof of purchase. And it wasn't until that proof of purchase was subsequently provided Watford knew there was any issue over the ownership (or model) of the phone being claimed for. Given that I don't think it would be reasonable to say Watford should reimburse him for the cost he incurred without being satisfied the policy terms in relation to this were also met.

Mr H has also expressed concern about being repeatedly asked for the same information in other calls with Watford. I've listened to all of the calls between Mr H and Watford. I do think there were occasions when Watford could have been clearer about what was required (for example in relation to requests for his ID and birth certificate). But equally (and I understand this matter was important to him) Mr H did make repeated calls to Watford with around 17 calls in the eight days after making his claim. I think that will likely have contributed to confusion about the information that was required as on some occasions when he called emails he'd sent hadn't yet been added to the file. Taking into account the relatively short time period over which these calls took place I don't think there's any action Watford now needs to take to put things right.

Mr H also expressed concern about the time Watford took to issue its final response to his complaint. However, that was provided within the eight week timeframe the relevant rules provide for doing so. And any issues Mr H has about the content of that response have been addressed as part of his complaint to us.

Policy cancellation

Under the terms of the policy Watford is entitled to cancel the policy by giving 14 days notice in writing where there is a valid reason for doing so. Those reasons include threatening and abusive behaviour. In this case the policy was cancelled in March 2024 by the broker acting on its behalf. Having reviewed the contact between Mr H and Watford I don't think it was at fault in cancelling the policy given the personally directed and abusive language Mr H used in some of those calls. But Watford didn't give the notice of cancellation the policy required. However, I don't think there's been an impact on Mr H as a result of that so I don't think there's anything Watford needs to do to put things right.

Putting things right

If Mr H is able to provide satisfactory evidence of ownership of the phone he's claiming for Watford will need to reconsider the claim against the remaining policy terms.

My final decision

I've decided to uphold this complaint. Watford Insurance Company Europe Limited will need to put things right by doing what I've said in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 October 2024.

James Park
Ombudsman