

The complaint

Miss S has complained that American International Group UK Limited have declined her claim for a lost phone.

What happened

Miss S bought a new iphone in December 2023. She says her phone was stolen from her pocket in a shop around 5.30pm on 22 March 2024.

She reported it to the police and the store immediately and made an online claim.

AIG rejected the claim saying that Find my iphone (FMI) wasn't enabled at the time of loss. In the Apple store, one of the staff checked the status and said the phone was in lost mode, which can only be activated if FMI is enabled.

AIG then accepted that FMI was enabled at the time of loss but say it was later turned off, and this can only be done by someone who knows the Apple id and password, so they declined the claim again.

Miss S complained about this decision, but AIG didn't uphold the complaint so she brought her complaint to us.

One of our investigators has looked into Mrs S's complaint and he thought that AIG acted fairly in declining the claim.

Miss S was unhappy with this, and so the matter has come 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.

I'm not upholding this complaint, and I will explain why below.

My role here is not to determine the claim, but to see whether AIG have reached their decision to decline the claim fairly, and in line with the terms and conditions of the policy.

The terms of the policy say that cover is provided as follows:

1.30. "Theft and Loss Coverage" means the cover providing for replacement of Your Covered Equipment due to events of Theft or Loss. You must have Find My enabled on Your Covered Equipment at the time of the Theft or Loss. Find My must remain enabled, and Your Covered Equipment must remain associated with Your Apple ID, throughout the Theft or Loss claims process.

Under the exclusions it says:

5. Exclusions

5.3.1 any Theft or Loss of Covered Equipment where Find My functionality is not enabled on the covered equipment throughout the coverage period including at the time of the theft or loss. Find My must remain enabled and Your Covered Equipment must remain associated with your Apple ID throughout the Theft or Loss claiming process.

In the evidence that has been provided to me by AIG which has been provided by Apple and is obtained using the IMEI number for the handset, shows that FMI was enabled on 20 December 2023 and remained enabled until 20.16 on 22 March 2024 when it was switched off. It was not enabled again until 25 June 2024. This suggests that FMI was disabled shortly after the reported loss of the phone and was not enabled throughout the period of the claim.

Miss S has provided evidence from her icloud account that "Lost mode" was active on the phone at 19.56 on 22 March 2024 - which would be consistent with the evidence above – as FMI was still active at that time.

Miss S has also provided a screen shot of her icloud account which shows that "N's iphone" still had lost mode activated on 5 April. While I accept that lost mode can't be active unless FMI is activated, I can't be sure that this information relates to the same handset, as it isn't based on the IMEI number, but to a named phone on the icloud account.

In addition, AIG have confirmed with Apple that FMI can only be deactivated by inputting the Apple ID and password into the device and any attempts to bypass this would generate an email to the user, but Miss S says that nothing was received.

As the evidence that AIG have relied on to support their decision is from Apple and relates to the handset with the right IMEI number, I am satisfied that they are entitled to rely on it to support their decision, and that they have acted fairly in declining the claim because the evidence suggested that FMI didn't remain active throughout the claim as required by the exclusions above.

I appreciate that this will be disappointing for Miss S and understand she is still paying the contract payments for this phone, which she says are causing financial difficulty. However, these payments would always have been due under the contract in any event.

My final decision

My decision is that I'm not upholding Miss S's complaint about American International Group UK Limited and so they don't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 10 September 2024.

Joanne Ward
Ombudsman