

The complaint

Mrs H's complaint is about the handling of a claim under her mobile phone insurance policy with Assurant General Insurance Limited.

What happened

In October 2023, Mrs H contacted Assurant as her son had damaged his phone screen. Assurant agreed it would repair the phone under the policy. However, when Mrs H received the phone back, it had an error message displayed that a non-brand part had been used.

Mrs H is very unhappy with this, as she says the replacement screen does not have "*true tone*" which was a fundamental function of the of the phone and is essential for her son who has eyesight issues. Mrs H complained to Assurant and it told her to return the phone, highlighting that true tone was required and it would replace it. However, after she did so Assurant told her this would not be possible and she should not have been advised this, as there was no fault with the phone.

Assurant said the policy terms make clear it may use non-branded parts when carrying out repairs and it does not provide cover for true tone and does not cover/repair the true tone feature. Assurant says it uses parts from fully refurbished stock or readily available parts. This means that the screens may not be branded parts. The insurance is intended to put the customer back in the position of having a fully working phone and it has done this.

Mrs H remains unhappy with Assurant's response, so brought the matter to this service. She says it should have been made clear to her what the implications of having the repair done under the policy were, so she could make an informed choice about whether to go ahead with the repair or not.

Mrs H says she has had to replace the phone so her son can have true tone. Mrs H wants the excess of £75 refunded, £150 for loss of value of the original phone (which is now considered faulty and is worth less with the non-brand screen than it was with the original chipped screen) and £100 compensation for the trouble caused to her.

One of our Investigators looked into the matter. She did not recommend the complaint be upheld, as she was satisfied that Assurant was entitled to use non-branded screen and as such it would not have the true tone feature.

Mrs H did not accept the Investigator's assessment. As the Investigator was not able to resolve the complaint, it was passed to me.

I issued a provisional decision in this matter in June 2024. I did not agree with the Investigator recommendation. I have copied my provisional findings below:

"The policy is essentially an indemnity policy. Assurant says it has indemnified Mrs H by providing a working phone but I do not agree that it is sufficient.

The principle of indemnity means putting the insured back in the position they were in before the loss that gave rise to the claim. In this instance, in my opinion that would mean providing Mrs H with a like-for-like phone, or replacing the broken screen with a screen with the same functionality.

I acknowledge the policy says this “*may*” involve the use of non-branded parts. This is not inherently unfair. But it doesn’t say Assurant will always use unbranded parts and can only ever use unbranded parts. So it was not sufficiently clear to Mrs H in advance in my opinion how the repair would be done.

As stated, sometimes the use of unbranded parts might be reasonable. However, in this case, Mrs H has testified that the true tone feature she previously had on the phone was important to her son. Assurant accepts that this feature is not on the replacement screen it provided. I do not therefore think it has provided Mrs H with proper indemnity under the policy, as the phone is no longer like-for-like.

I therefore now need to consider what needs to be done to put this right.

Mrs H says she has already replaced the phone, as her son needed the true tone feature. She has still got possession of the original phone, which she says as fallen in value by around £150. I have not seen any documentary evidence to support this. I have looked myself at likely resale values and as the phone had a chipped screen that was bad enough that Mrs H made the claim, it seems to me that with the chipped screen the phone would be considered to have been in ‘*poor*’ condition. The values for the make and model phone in poor condition appear to be around £50. I do not therefore think I can reasonable award the loss of value amount Mrs H has suggested.

Having considered everything carefully, I consider that some general compensation is more appropriate to reflect a possible drop in value of the phone as well as the trouble caused to Mrs H in having to send the repaired phone back again only for Assurant to then change its mind about the true tone replacement and in having to get another phone. I think overall compensation of £150 is reasonable.

Either party can provide further evidence about the value of the phone in response to this provisional decision if they wish but on the evidence currently available, my opinion is that £150 is reasonable.

I also consider that if she had known that the screen would be replaced with a non-branded part Mrs H would not have gone ahead with the repair and Assurant has not indemnified her properly, so I agree the excess should also be refunded.”

Responses to my provisional decision

I invited both parties to respond to my provisional decision with any information or evidence they want considered.

Mrs H has confirmed she accepts my provisional decision.

Assurant has not responded.

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.

As neither party has added anything further, I see no reason to change my provisional findings. I remain of the opinion that if she had known how Assurant intended to repair the phone, Mrs H would likely not have gone ahead with the claim, and the fact she did caused her some distress and inconvenience. I therefore remain of the opinion that Assurant should refund the excess Mrs H paid and pay her compensation.

My final decision

I uphold this complaint and require Assurant General Insurance Limited to:

1. refund the excess of £75; and
2. pay Mrs H the sum of £150 compensation for the distress and inconvenience caused by its handling of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 16 August 2024.

Harriet McCarthy
Ombudsman