

The complaint

Mr N complains about the way Assurant General Insurance Limited dealt with a claim on his mobile phone insurance and says the compensation it agreed to pay did not adequately reflect the distress and inconvenience he was caused.

What happened

When Mr N had a problem with his mobile phone he made a claim on his family mobile phone insurance policy. He sent his phone in for repair and it was due to be delivered back to him a few days later, but he received a message on the day of delivery saying the courier had not been able to deliver the phone.

Mr N called the next day and a new delivery was arranged but again the phone wasn't delivered. The phone couldn't be found, so Assurant arranged for a replacement phone to be delivered.

Mr N complained about the way the claim had been dealt with, in particular the delays and poor communication. In its final response to him, Assurant acknowledged the phone wasn't delivered when it should have been and then went missing. It apologised for the delays but didn't accept there had been failings with communication other than in one call that was not handled correctly.

Assurant said it would pay compensation of £100 but Mr N wasn't satisfied with the response and referred the complaint to this Service.

Our investigator initially said he thought compensation of £100 was fair. He explained there was some issues that he couldn't consider – Mr N was unhappy that he had lost the data on his phone, which had been replaced with a refurbished phone, but the policy document says any data should be backed up as all data will be wiped as part of the repair process, and any replacement phone will be a refurbished model.

Mr N didn't agree that £100 was reasonable and provided further evidence, including recordings of his calls with Assurant. After considering this, the investigator said the compensation should be increased to £200.

Assurant doesn't agree that the compensation should be increased. So I need to make a 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 industry rules and guidance say insurers must deal with claims promptly and fairly. They should support their customers in making use of their policy and settle claims promptly once settlement terms are agreed.

Assurant dealt with the claim and provided a replacement phone. It has acknowledged there were delays due to Mr N's phone being lost by the courier and agreed to pay compensation of £100 for that.

Assurant doesn't accept what Mr N says about poor communication or that the compensation should be increased. It says it was in regular contact with Mr N and reacted promptly when it became aware his phone had gone missing.

Assurant points out that the phone was with a courier and it had no direct control over their actions. The courier was, however, acting on behalf of Assurant, so it's responsible for their actions.

Having listened to recordings of the call where Mr N asked about the missing phone, and a later call with the complaints team, I agree it would be fair to increase the compensation. I think the key points for this conclusion include:

- Mr N contacted Assurant about the missing phone and was told someone would get back to him in two days but that didn't happen.
- The call handler didn't make any notes of this on the system, which meant Mr N had to prove he had made that call, which shouldn't have been necessary.
- Mr N provided proof of this call but Assurant didn't acknowledge he was proved to be right. He repeatedly made the point that his complaint was about a lack of communication and this continued when he made his complaint. He asked several times why he was being penalised due to their error but the call handler didn't acknowledge the frustration caused by this or the trouble Mr N was put to.
- The whole process took longer and was more difficult for Mr N than it should have been. The way things were handled was very upsetting and he was put to the trouble of having to provide information that Assurant should have had.

Having considered the circumstances and the impact on Mr N, I agree £200 is fair to compensate him for the distress and inconvenience caused.

If Assurant has already paid £100, then it needs to pay a further £100 to bring the total up to £200.

My final decision

I uphold the complaint and direct Assurant General Insurance Limited to pay to Mr N compensation of £200 (with a deduction for any payment already made) for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 3 October 2024.

Peter Whiteley
Ombudsman