

The complaint

Mrs M's complaint is about the handling of a claim made under her mobile phone insurance policy with WDP Insurance Limited.

What happened

In July 2023, Ms M damaged her phone while on holiday abroad. Ms M submitted an online claim to WDP under her policy. She paid the excess and WDP agreed to provide a replacement phone. Mrs M says the policy says she can claim anywhere around the world but is unhappy WDP would not provide the replacement to her abroad.

WDP sent a replacement phone on 5 August 2023 to the UK address it says was entered by Mrs M on the online claim application. WDP said it required the original insured phone to be delivered to it once the replacement phone had been provided.

Mrs M says she did not take possession of the phone until after she returned to the UK in early September 2023 and it took a few days before she was able to start sorting out the phone. Mrs M says when she did try and set up the replacement phone, it would not charge. She contacted WDP on 6 September 2023 to report that the replacement phone was faulty.

WDP said it would replace the phone under the warranty provided with the replacement phone but it would need to take Mrs M's credit card details in order to progress the replacement. It says this is because it would require the faulty phone back and the policy terms say it is entitled to charge a non-return fee in the event it is not returned. Mrs M was not happy with this and did not want to proceed.

Therefore, although WDP says this would not be normal practice, once Mrs M returned the faulty replacement phone, it cancelled the claim and refunded the £85 excess.

Mrs M was not happy about this and complained to WDP. She said the replacement phone had been delivered to the wrong address. Mrs M says the person that received the phone tracked her down and delivered it to her around a week later. Mrs M also says WDP sent a letter chasing the return of the original insured phone, warning that it would be entitled to charge £255 non-return fee if it was not sent in.

WDP considered the matter. WDP says that the replacement phone was successfully delivered to the address provided by Mrs M on 7 August 2023 and there is no record of Mrs M raising an issue with the delivery at any time until her complaint on 26 September 2023. It accepted the replacement phone it had provided was faulty and offered £25 compensation and offered to proceed with a damage claim again but an excess would be payable.

WDP also says the final notice for return of the original insured device was correctly sent to Mrs M on 4 September 2023, as it had dispatched the replacement phone (thereby fulfilling the indemnity under the policy) on 6 August 2023 and had not received the insured device. It also says it did not receive the faulty replacement device back until 14 September 2023. WDP says it was therefore entitled to send the warning letter but it did not charge for non-

return of either device. I understand Mrs M still has the original insured phone.

Mrs M remained unhappy with the handling of the claim and brought her complaint to this service. Mrs M has made a number of points in response. I have considered everything she has said but have summarised her main points below:

- She had no mobile phone from July to September 2023 and she was unable to access her bank accounts during this time.
- The delay meant she had to get another service provider. As she had a new number, she had to spend considerable time notifying clients of her new telephone number and changing her website details. She has also had trouble accessing bank accounts, as a security code had to be sent to her old number.
- To replace the faulty phone WDP wanted another excess which is not acceptable.
- The person that delivered the replacement phone to her then took her cat without consent to a vet for emergency care. She was notified of this by the vet. This would not have happened if the phone had not been sent to the wrong address.

Mrs wants WDP to refund the premiums she's paid for the policy, as it has not provided the service she paid for.

One of our Investigators looked into the matter. He did not recommend the complaint be upheld, as he was satisfied WDP had acted fairly and reasonably. He did not consider WDP had tried to charge two excesses and it had processed the claim and the warranty exchange fairly. The Investigator considered that WDP's offer of compensation and refund of the excess was fair in the circumstances.

Mrs M does not accept the Investigator's assessment. She says the Investigator has confused and conflated facts and has not understood the sequence of events; and he has ignored dates and taken WDP's statements as fact despite evidence she has provided to counter them. Mrs M says WDP did not replace her phone, it sent her a faulty phone. She didn't find this out until a month later, as she was abroad and so only got the phone a month later when she returned to the UK.

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

hearing request

Mrs M made a request for a hearing of her complaint. I considered the request for an oral hearing. However, it's only in exceptional cases that we consider that a hearing might be required. I decided that a hearing wasn't necessary in this case. I explained that we normally only hold a hearing where there is a dispute – between the complainant and the insurer – about important facts concerning the subject matter of the complaint; or if the circumstances of the complaint are so unclear from the papers that it requires clarification in person.

I concluded that the facts about the insurance claim were sufficiently clearly set out in the papers provided.

It remains my view that the issue in dispute is sufficiently clear and an oral hearing isn't necessary for me to fairly decide this case.

Mrs M has also raised an issue with her credit report after she cancelled her contract with WDP. However, I cannot deal with that in the context of this 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.

Mrs M's policy provides cover as long as the policyholder is a UK resident, although it covers claims arising while the policyholder is travelling overseas. The policy does not state that replacement phones will only be provided within the UK. It does, however, say a replacement will usually be sent the next day after a claim, unless it is to be sent outside mainland Great Britain, including Scottish Islands, Northern Ireland and the Channel Islands. I think this indicates that the policy does not provide for claims to be fulfilled outside of those areas. And UKI's supply networks would all be within the UK. I don't think it would be reasonably expected to have a replacement phone delivered to a temporary address abroad. So, while I appreciate it might have caused Mrs M some difficulty, I do not think that it was unreasonable of WDP to send the replacement phone to her UK address and not send it to her abroad.

As far as WDP is concerned, the replacement phone was delivered successfully. However, Mrs M says it was delivered to someone in another street. I can't know for certain what happened. It is possible there was an error made by the courier but there is no evidence that WDP caused the error. In any case, Mrs M did receive the phone, so I do not think I need to consider this point any further.

The replacement phone was, however, faulty. WDP has since tested the phone and confirmed this.

WDP said it would send another replacement. If Mrs M had provided her card details to WDP, it would have gone ahead and provided another replacement phone to her.

Mrs M's policy says that:

"As soon as you receive your replacement device, the original claimed-for device ... becomes the property of the Insurer and must be returned to us within 15 days. Otherwise, we'll charge a non-return fee (based on the value of the non-returned model) to the payment card used to pay your excess fee".

This term reflects the insurance principle that once an insured has been indemnified for an insured item, that item belongs to the insurer. So, in this case, having provided a replacement phone to Mrs M, the original insured phone belongs to WDP and it is entitled to take possession of it. Given this, I think it was entitled to send her a chasing and warning letter about returning the original insured phone around a month after sending her the replacement. And I think it was entitled to say it also wanted the faulty replacement phone to be returned to it when it provided another replacement.

I do not have a recording of the relevant phone call between Mrs M and WDP when this was discussed but I have seen WDP's note of the call. This note records that it explained that it was not asking for her credit card details in order to take another excess payment and that no other charge would be taken unless the phone was not returned to it.

I have no reason to doubt that this was explained to Mrs M in the way recorded in WDP's notes. I am therefore satisfied that WDP did not ask Mrs M to pay another excess at this time but was asking for the credit card details, so that if the first faulty phone was not returned, it could take the non-return fee as per the terms of the policy. I do not think this was unreasonable.

Mrs M did not want to proceed on this basis and so WDP cancelled the claim and refunded the excess she'd previously paid. I also understand she returned the faulty replacement phone but still has possession of the original insured phone. So, Mrs M is back in the position as if the claim had not been made.

WDP has offered £25 for the trouble caused by the first replacement being faulty. I have considered if this is reasonable. I note the battery passed testing before this replacement was sent to Mrs M, so there is no reason that it should not have been sent to her, as WDP was not aware at that stage that there was a fault with it. And as soon as it was made aware it was faulty, WDP offered to send Mrs M another replacement. Having considered everything carefully, I am satisfied that the offer of £25 and to replace the phone again was reasonable.

WDP also said in its final response letter to Mrs M's complaint that she could proceed with a claim again for the original damaged phone, but there would be an excess to pay. I think this is reasonable. Mrs M has had the original excess refunded so it would be entitled to charge an excess if she does want to make a claim.

Mrs M has also said she was without her phone for July to September 2023. WDP sent a replacement the day after Mrs M submitted the claim. While I note the phone sent was faulty, WDP also agreed to send another replacement as soon as Mrs M made it aware it was faulty. I think WDP acted reasonably in handling the claim and I do not therefore consider I can hold WDP responsible for the time before Mrs M returned to the UK to take possession of the replacement, or not sending the second replacement as this was refused by Mrs M. I also do not think WDP is responsible for any time and trouble involved in Mrs M changing her mobile phone number. WDP was prepared to provide a replacement for the faulty phone and it has offered £25 for the trouble caused by the faulty phone. I think that was reasonable in the circumstances. Overall, therefore I do not think I can reasonably ask WDP to do anything further and as it has provided the cover in exchange for the premiums I cannot ask it to refund the premiums.

My final decision

WDP Insurance Limited has already made an offer to pay Mrs M £25 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that WDP Insurance Limited should pay Mrs M £25.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 3 January 2024.

Harriet McCarthy
Ombudsman