

The complaint

Mr B's complaint is about the handling of a claim under his mobile phone insurance policy with Assurant General Insurance Limited provided as part of a package of benefits with his bank.

What happened

In late 2023, Mr B contacted Assurant as he had damaged the glass on the back of his phone. Assurant agreed it would repair the phone under the policy. Mr B says he was told Assurant is a genuine authorised repairer for his brand of phone and that it would use manufacturer approved parts. However, when Mr B received the phone back, it had an error message displayed that a non-brand part had been used. Mr B also said the phone screen was lagging and some functions would not work, such as the "*true tone*" display.

Mr B complained to Assurant. He says Assurant told him that after 14 days the error message would disappear and the true tone function would come back. This did not happen. Mr B took the phone to the manufacturer who said the back screen had not been replaced correctly and the repairs were not approved. The manufacturer said it could not repair the phone as a result. Mr B told Assurant what the manufacturer had said.

Assurant said the policy terms make clear it may use non-branded parts when carrying out repairs and that it does not provide cover for 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. Assurant therefore says it has not done anything wrong. Assurant did however, apologise for Mr B being told the true tone function would come back, which it accepts was not correct. Assurant said Mr B could return the phone for it to assess under its repair warranty, or exchange the phone for another. Assurant also says that a non-branded screen is not a fault.

Mr B remained unhappy with Assurant's response, so brought the matter to this service. One of our Investigators looked into the matter. He did not recommend the complaint be upheld, as he was satisfied that Assurant was entitled to use a non-branded screen and as such it would not have the true tone feature.

Mr B did not accept the Investigator's assessment. Mr B made a number of points in support of his complaint, in response to the Investigator and in his initial complaint. I have considered everything he has said but have summarised his main points below:

- He called Assurant more than once before going ahead with the repair to check that Assurant was qualified to work on these products and the phone would function exactly as it previously did. Assurant told him they were a “*genuine ... authorised repair providers*” and use manufacturer approved parts. This was false.
- The manufacturer told him the phone could not be repaired, as the back screen had not been replaced properly.
- Assurant has therefore broken his statutory rights with the manufacturer and broken his phone. If he had known it was not a manufacturer authorised repairer, he would never have gone ahead with the claim.
- Assurant replaced the front screen as well as the back but there was nothing wrong with the front screen.
- He has been unable to use the phone, which has caused him difficulty, as he has had emergency medical treatment and depends on his phone because of this and other conditions.
- Assurant told him repeatedly incorrect information claiming the true tone would come back after 14 days and that the “*unknown part*” message would disappear. The manufacturer has told him this is not true. The features will not come back and also other features won't work correctly.
- The policy says that it will not cover repairs caused by any previous repair not authorised by the manufacturer, so this means Assurant's repair must be authorised by the manufacturer otherwise their own repairs would void the insurance.
- Assurant has not addressed all his complaint points. It has not been able to prove it has used an authorised brand part and so he doesn't consider it can provide a phone that is fully functional, as it was when he sent it to Assurant.
- He has provided two reports from the manufacturer that show the grounding plate is broken and they could also see that a diagnostic test was run by Assurant when it received the phone and the front screen was working and genuine at that time. There is no record that Assurant ran this test on sending it back to him.
- The manufacturer told him Assurant may have broken the front screen while trying to remove it as it could see broken bezel internally and the damage to the grounding plate.
- The manufacturer also said the phone was no longer waterproof and fitted a new seal for him.
- Assurant has not provided any photos of the work done or a report to refute that this damage was not there already.
- Assurant has also not provided a full repair report of the work it did on the phone and why.
- He is neurodivergent and sensitive to light, so the true tone feature is important to him.
- He told Assurant he has communication needs but it has not accommodated him.
- Mr B also provided a video he took before sending the phone for repair, which shows the back glass smashed but the front screen intact and working and the rest of the case undamaged.

Mr B initially asked that Assurant pay him the cost of his phone, which he says is £749, or the full cost to fix the phone, as well as refunding the excess and compensation for the distress this matter has caused him. More recently, he has said he had to buy a replacement phone for £699. He says he does not expect this to be reimbursed but has proposed that Assurant pay him the amount it would have cost to rent a similar phone while this matter was being dealt with. He has said this would have been £19.99 pm.

Mr B has also said that the manufacturer has told him it is willing to fix the phone for £369, so this should also be paid, together with a refund of the policy excess and £100 compensation for the trouble caused.

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

I issued a provisional decision on the matter in October 2024. I have copied my provisional findings below:

"I've set out the parts of the policy relevant to this claim below:

"This policy covers mobile phones owned by you or your Family members. If your mobile phone is damaged or breaks down we will either:

(1) repair the mobile phone (where possible), or

(2) replace it with a mobile phone of the same make, model and memory size. If we cannot do this you will be given a choice of models with an equivalent specification."

This is subject to the following exclusion:

"Unauthorised Repairs

We are not liable for any breakdown of your mobile phone that is caused by a previous repair which was made by a repairer who was not authorised by the manufacturer."

The policy also sets out how a repair claim will be dealt with:

"Section C: What you need to know about the claims process..."

Repairs will be made using readily available parts, or we may provide refurbished products. These may contain parts that are of similar or equivalent specification, and these may include unbranded parts. This policy is provided in addition to any manufacturer's warranty that applies to your mobile phone ("applicable manufacturer's warranty"). Nothing in this policy is intended to affect your rights under the applicable manufacturer's warranty or your statutory rights. If any repairs authorised by us under this policy invalidate the applicable manufacturer's warranty, we will repair or replace your mobile phone, as necessary, in accordance with the terms of the applicable manufacturer's warranty for the unexpired period of that warranty."

The policy is essentially an indemnity policy, so it should put the policyholder back in the position they were in, as far as reasonably possible, before the insured event occurred.

I acknowledge the policy says that doing this "may" involve the use of unbranded parts. This is not inherently unfair. But it doesn't say Assurant will always use unbranded parts and can only ever use unbranded parts.

In addition, Assurant told Mr B explicitly that it was an authorised repairer and used manufacturer approved parts. This is confirmed in a ... recording I have listened to of a call with Mr B in May 2024, during which Assurant said "we are an ...[manufacturer] approved repairer so the true tone should come back shortly". This was also confirmed to Mr B in writing.

Given this, I think Mr B had a reasonable expectation that Assurant would carry out repairs that would comply with the manufacturer requirements and that he would have a phone that functioned as before.

Assurant may consider that its repairers are qualified to work on this brand's products but this does not seem to be acknowledged by the manufacturer. Assurant is not listed on the manufacturer's website as an approved repairer and the manufacturer's website says:

"certified repairs are performed by trusted experts who only use genuine ...parts."

And:

"authorised service providers are required to meet ...[their] standards at all times".

As Assurant acknowledges it used an unbranded screen, it does not seem to fit the criteria of an authorised repairer. In any case, there is evidence that other faults were caused and Mr B's phone had lost some functions. I will address this further below.

Mr B says his phone was functioning properly, with no faults or damage other than the broken glass on the back when he sent it in to Assurant. He has also provided a video of the device, showing the front screen intact and working and only visible damage was to the back screen. Assurant has not provided any evidence to refute this, so I consider it reasonable to accept that this is correct.

I have considered the reports from the manufacturer provided by Mr B. These confirm that a non-branded screen was used and there were defects with the repairs carried out by Assurant. One report says:

"The PI68 water rating sealant was not applied correctly after technician received device back from their repair centre. We have fitted a brand adhesive and repressed device as a gesture of goodwill...True depth grounding plate damaged and out of place."

The manufacturer also suggests that the front and back screens do not always need to be replaced together and it would have replaced the rear housing of the device and not just the back glass. It also says there were cosmetic marks and scratches to the bezel and that *"system configuration was not initiated/completed. Full capability of parts would not function due to incomplete system configuration"*.

Mr B has also provided photographs taken by the manufacturer of the internal damage to support this.

Mr B says this proves this is a hardware issue caused by Assurant and not a software issue as suggested by Assurant.

There is no repair report from Assurant and therefore no proof the front screen needed replacing as a result of the damage to the back screen. And replacement of front screen is why the true tone function doesn't now work. As stated, sometimes the use of unbranded parts might be reasonable. However, in this case, Mr B has testified that the true tone feature he previously had on the phone was important to him. Assurant accepts that this feature is not on the replacement screen it provided. I do not therefore think it has provided Mr B with proper indemnity under the policy, as the phone is no longer like-for-like.

I think it was incorrect and misleading of Assurant to say it was a manufacturer authorised repairer, when it does not use branded parts or carry out repairs to the manufacturer's standards, and I do not consider it was made sufficiently clear to Mr B in advance how the repair would be done. The reports from the manufacturer also supports Mr B's assertion that Assurant caused damage and loss of function to his phone that was not there when he sent it to its repairer.

Mr B had been told specifically that the repair would be manufacturer approved. Given what he has said about the true tone function in particular, I am satisfied that Mr B would likely not have gone ahead with the repair under the policy if he had known it would not be a manufacturer approved repair. I am also satisfied that not only did Assurant not carry out the repair as Mr B was reasonably expecting but also caused damage to the phone. I have to therefore consider how, as far as is reasonably possible, to put the parties back in the position they would have been in had Mr B been able to make an informed choice about going ahead with the claim.

As stated, I am satisfied Mr B would likely not have gone ahead with the repair under the policy. As Mr B would not have gone ahead with the claim, the excess of £75 and the postage he paid to send the phone in (£8.15) should be refunded.

Mr B has also now got a phone that needs further repairs to it, so I think it is right that Assurant pay towards the amount quoted by the manufacturer. However, I also have to bear in mind that Mr B's back screen was damaged. He might have opted to not have that repaired. I note he has said to Assurant when asking for the phone back that he could continue using it in that condition. Mr B might also have opted to have the back screen repaired himself, which would have been at his own cost. The manufacturer has quoted £369 to fully repair the phone. Given it is impossible to be certain what Mr B would have done, I think it would be reasonable to deduct £100 from the repair quote of £369 provided by the manufacturer, to reflect the possibility that Mr B might have chosen to continue with a damaged phone or paid for a repair himself.

So, I think Assurant should pay the £369 quoted, less £100 to reflect the fact the phone back screen was damaged already.

As a result of the unreasonable handling of the claim, I also think that some additional compensation is warranted.

Mr B had to spend time getting reports from the manufacturer (one occasion he said he was at the store for five hours) and he also had the inconvenience of having his own phone not fully functioning and then having to obtain a replacement phone and being out of pocket for that. I acknowledge this would have been frustrating also. Having considered everything, I consider the sum of £200 to be appropriate compensation for the unnecessary trouble caused to Mr B by the handling of this matter.”

Responses to my provisional decision

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

Assurant has not responded to my provisional decision.

Mr B has responded. He has confirmed he accepts most of my provisional findings. However, he would like me to reconsider the award I proposed to make for compensation. Mr B says the £200 recommended is low, as it does not reflect the out-of-pocket expenses he had for not having his phone for 11 months (the cheapest phone to rent would have been £19.99pm); the phone calls and emails he had to make and trips to the manufacturer’s store. Mr B says that compensation nearer £400 would be more acceptable.

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 Assurant has not provided any further information and Mr B has accepted my provisional findings about the claim, I remain of the opinion that Mr B would likely not have gone ahead with the repair of his phone, if he had known it would not be a manufacturer approved repair. I also remain of the opinion that Assurant damaged Mr B’s phone by replacing the front screen and there is no evidence that this was necessary. Having considered everything again, I also remain of the opinion that to put this right Assurant should refund Mr B the excess, postage costs and pay him £269 towards the repair of the phone.

With regard to compensation, I note Mr B’s comments in response to my provisional decision. However, I do not think that the potential cost of renting a phone for the 11 months, his phone was not repaired, is an appropriate benchmark for compensation. I considered in my provisional decision the impact on Mr B of the wrongful handling of the claim, including the time Mr B spent getting reports from the manufacturer’s store and his phone not fully functioning. I also took account of the fact Mr B had the trouble of his phone not being fully functional and then of getting another phone, but the award of compensation is not intended to reimburse the expense of getting a new phone. I say this because Mr B had use of his phone (albeit not fully functional). Having considered everything again, I remain of the opinion that the sum of £200 is appropriate compensation for the trouble caused by its handling of the claim and is in line with our awards.

My final decision

I uphold this complaint against Assurant Insurance Limited and require it to do the following:

- pay Mr B the sum of £269 quoted by the manufacturer to repair the phone;

- refund the excess of £75 and £8.15 postage, together with interest at 8% simple per annum from the date he paid the excess to the date of reimbursement; and
- pay Mr B the sum of £200 compensation for the distress and inconvenience caused by the handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2024.

Harriet McCarthy
Ombudsman