

The complaint

Mr L has complained about a replacement handset he was sent by Assurant General Insurance Limited (Assurant) following a claim he made under a mobile phone policy.

What happened

Mr L contacted Assurant to make a claim for damage to his mobile phone. He also updated his address. Assurant repaired the phone and sent it back to Mr L. However, it sent it to the wrong address. Mr L complained. He also went to the other address and was able to collect the phone. Assurant offered Mr L £25 compensation. Mr L's SIM card didn't work in the phone. Assurant said this was because it had blacklisted the phone. It arranged to provide a replacement phone by doorstep exchange and offered a further £25 compensation.

Mr L wasn't satisfied with the replacement handset because he said it was scuffed and chipped. So, he raised a new complaint. When Assurant replied, it said it had conducted a full quality check on the device before it was sent. The warehouse had deemed it acceptable.

So, Mr L complained to this Service. Our Investigator upheld the complaint. He said Mr L had been provided with a replacement phone that had visible chips and damage to the bezel. Assurant had treated this as a claim under the policy, but the phone needed to be replaced because it had sent the phone to the wrong address. So, he said Assurant needed to put Mr L back in the position he would have been in if it hadn't sent the phone to the wrong address. He said Assurant needed to provide a better condition phone or pay Mr L the reasonable costs of replacing the phone himself. He also said the £50 compensation Assurant had offered was reasonable in the circumstances.

Assurant didn't agree. It said Mr L's phone had been damaged by dropping it in a swimming pool. It was also a phone that had been released in 2021. It seemed unlikely it wouldn't show some signs of minor wear and tear. It had settled the claim by providing a like for like replacement, in line with the policy terms. It carried out stringent quality checks to ensure replacement phones were in full working order. The cosmetic quality of devices was also checked to ensure they were within tolerances. It said the photos of the defects Mr L had provided were magnified and therefore exaggerated in size. Mr L hadn't advised at any point that the phone was faulty or not functioning. It would also be impossible for it to go through all its phones in stock to find one in a condition Mr L found acceptable. If it provided a cash settlement, there was no guarantee it would be pristine or in a cosmetic condition Mr L found acceptable. It said it had put Mr L back in the position he had been, which was with a fully functioning phone. So, the complaint was referred to me.

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.

Having done so, I uphold this complaint. I will explain why.

When Mr L made the claim for damage to his phone, he updated his address with Assurant. However, Assurant still sent the phone to the wrong address following the repair. When it was made aware of this, Assurant blacklisted the phone. This meant the phone had to be replaced.

When Mr L raised his concerns about the quality of the replacement phone, Assurant said to return it under the warranty. It has also said it thinks it's acted fairly because it replaced the phone in line with the policy terms and conditions. But, the phone didn't need to be replaced as part of the claim and it wasn't part of the claim settlement. If Assurant had done what it should have, which was to send the phone to the correct address, Mr L would have had his original phone returned to him. Assurant needed to replace the phone because it made a mistake. That mistake led to Mr L's phone being unusable. So, I don't think it's fair for Assurant simply to provide a phone in line with what it would normally do under the policy.

So, I think Assurant needs to put Mr L back in the position he was in before he sent the phone to Assurant for repair, in terms of the phone's cosmetic appearance. Mr L has said his phone was "*perfect*". I don't think it's in dispute that there is some cosmetic damage to the replacement phone, which includes chips and damage to the bezel. Assurant has said this is within its tolerances. Although Assurant has said that Mr L's phone was likely to have some minor wear and tear, it hasn't provided an assessment of the condition of Mr L's actual phone. I'm aware the phone was sent to Assurant because it was damaged. However, it's my understanding that it was dropped in a swimming pool. Assurant repaired the damage covered by the claim. I'm not aware of any cosmetic damage to the phone because it was dropped in a pool. In the circumstances, I'm more persuaded by Mr L's explanation of the condition of his phone.

So, I think Assurant needs to provide Mr L with a replacement phone of the same make and model and that is in better condition than the one it has provided. If it's unable to do this, it should provide Mr L with a reasonable cash settlement that enables him to buy a replacement phone that is in better condition than the one provided.

I'm aware Assurant has said it would be difficult for it to find a phone within its stocks that Mr L would find acceptable. However, I still think it's reasonable to allow Assurant to try and do this if it now wishes to do so.

Assurant also questioned whether it would be possible for Mr L to buy a phone that would be acceptable to him if it provided a cash settlement. If Assurant makes a cash settlement offer and Mr L doesn't think it's reasonable, he can make a new complaint to Assurant if he wants to do so.

When Assurant responded to Mr L's complaints, it offered £50 compensation. I think that was fair in the circumstances for the issues it identified. So, I don't require it to pay further compensation.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Assurant General Insurance Limited to:

- Provide Mr L with a replacement phone of the same make and model that is in better condition than the one it provided. Or,
- Alternatively, it can pay a cash settlement to enable Mr L to buy a phone of the same make and model and in a better condition than the one it provided.
- Pay the £50 compensation it offered, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 February 2025.

Louise O'Sullivan
Ombudsman