

The complaint

Miss D complains that AMERICAN INTERNATIONAL GROUP UK LIMITED ("AIG") declined a claim on her mobile phone insurance policy.

What happened

Miss D made a claim on her policy when her mobile phone was stolen, but AIG declined the claim.

AIG said it was a condition of the policy that Miss D had to have the 'Find My' function enabled and the information it had obtained showed it had been switched off. So Miss D was in breach of that condition.

Miss D disagreed and said the 'Find My' function had been on ever since she got the phone and was turned off that evening, after the phone was stolen. She said the thieves must have done this. She complained but AIG didn't change its decision. So she referred the complaint to this Service.

Our investigator didn't think the complaint should be upheld. They said the decision was in line with the policy terms. Miss D requested an ombudsman's decision.

First provisional decision

I issued a provisional decision saying I was minded to uphold the complaint, because:

- AIG says Miss D was in breach of the policy condition requiring her to have the 'Find My' function enabled at all times, because it was disabled at the time of the loss.
- It would generally be fair for an insurer to rely on this unless the circumstances indicate there's a credible explanation as to how this function was switched off.
- Miss D said it was difficult for her to prove what happened, but she had explained the circumstances of the theft and the information showed the function was switched off around the time the phone was stolen.
- Miss D had provided an explanation as to what happened and I thought it was likely the 'Find My' function was enabled at the time of the theft or loss. So it would not be fair to decline the claim.

Replies to the first provisional decision

AIG asked me to reconsider and provided further comments including:

- 'Find My' is the technology Apple uses to enable its process which blocks a phone, leaving it unusable and with little value on the resale market. It's essential that it is enabled not just at the time of loss but throughout the claims process.
- There could be scenarios where a thief has been able to obtain information that enables them to turn off 'Find My'. If a customer provides evidence showing they didn't turn 'Find My' off, claims may be approved.

- Miss D has indicated the thieves may have observed her entering her phone passcode. It's not possible to turn off 'Find My' using the phone passcode – it can only be done by entering the separate password associated with the Apple ID.
- It is possible to request a reset of the Apple ID password if the phone password is known, but Miss D would have received an email from Apple confirming her password had been changed and she said this hadn't happened.
- It didn't have the evidence needed to reconsider its decision but if this was provided, it would be happy to review the claim taking this into account.

Before proceeding I requested some further information from Miss D. She advised that:

- She didn't store any passwords on her phone and would not do this as she is aware of the security risks involved in storing sensitive information in this way.
- She did not receive any messages regarding her Apple ID or password during this period.

Second provisional decision

Having considered the further comments, I issued a second provisional decision saying I didn't now intend to uphold the complaint, for the following reasons:.

- The policy terms include a condition that the policyholder must have 'Find My' enabled on their phone throughout the coverage period and at the time of the theft or loss. AIG has explained the importance of having this enabled and it would generally be fair to rely on a breach of this condition to reject a claim, unless the policyholder has provided a credible explanation as to how this function was switched off. My initial view was that Miss D had given a credible explanation but I had now reached a different view.
- Miss D has said whoever took her phone may have observed her entering her phone passcode but it isn't possible to turn off Find My using the phone passcode; they would have needed to use the separate password for her Apple ID account.
- Miss D has confirmed that she didn't store any passwords on her phone and wouldn't do that. If there was no password on her phone, it's difficult to see how the thieves could have obtained her password and without that, it's not clear how they could have disabled the 'Find My' function; it can't be done without that.
- They could potentially have requested a reset of the Apple ID password if they had the phone password but again, it's not clear how they could have got that password if it wasn't saved on the phone anywhere. And even if they had, Miss D would have received an email from Apple confirming her password had been changed. She's confirmed she didn't receive any messages about her Apple ID or password.
- Having reviewed the further evidence, I didn't think Miss D had done enough to provide a plausible explanation of how someone could have got into her Apple account and disabled the 'Find My' function. In the absence of that, it was reasonable for AIG to decline the claim.
- AIG has said it will reconsider if Miss D can provide any further evidence and that was fair.

Replies to the second provisional decision

Miss D has provided a copy of an email confirming when her iPhone data was turned off. She says this was after the phone was taken, and shows her 'Find My' was switched on at the time of the theft.

AIG has not provided any further comments for me to consider.

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.

Miss D's further comments don't persuade me to change my second provisional decision. I appreciate the 'Find My' function was switched on until the phone was taken, but it was then turned off. As I explained in the second provisional view, this function needs to remain switched on.

If Miss D was in breach of the policy condition requiring her to have the 'Find My' function enabled at all times, it would be fair for AIG to rely on this breach to reject the claim, unless she can provide a credible explanation as to how this function was switched off.

The evidence from Miss D confirms it was switched off, but she hasn't provided a plausible explanation of how someone else could have got into her account and done this. In these circumstances AIG's decision is reasonable.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 6 February 2025.

Peter Whiteley
Ombudsman