

The complaint

Miss C has complained about the handling of a claim under her mobile phone insurance policy with Assurant General Insurance Limited.

What happened

Miss C contacted Assurant in August 2024, as her phone was damaged and she wanted to claim for the repair. Assurant confirmed the claim was covered and told Miss C it would take the phone for repair. However, Miss C said she wanted to use the manufacturer's walk-in service. Assurant told Miss C that this had been a service offered in the past but it was no longer available and she would need to send the phone in for repair.

Miss C was unhappy with this and complained to Assurant. She said she has had the cover since 2013 and has had many previous claims dealt with using the walk-in service. Miss C said she was not told of the change of process and if she had been, she would have cancelled the policy as it is essential that she not be without her phone. Miss C asked for a replacement phone or for her premiums to be refunded.

Assurant did not agree it had done anything wrong. It told Miss C that it did previously have an arrangement with the manufacturer that allowed some of its policyholders to use its walk-in service but this was never part of the policy terms and conditions and was no longer its repair arrangement. It said as this was not part of the policy cover, it did not have to inform policyholders of the change.

Miss C remained unhappy with Assurant's response and so referred her complaint to us. In the meantime, she asked Assurant to go ahead with the repair. The phone was repaired and returned to Miss C. Assurant has also told us that Miss C has also had another claim met in October 2024.

One of our Investigators looked into the matter. He did not recommend the complaint be upheld, as he was satisfied that Assurant had met its obligations under the policy and as Miss C had benefited from the policy, it was not reasonable for the premiums to be refunded.

Miss C does not accept the Investigator's assessment, so the matter has been referred to me. Miss C says she only took out this policy because she was told in a phone call that she could get instant repairs.

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 C's policy with Assurant says that it covers accidental damage, breakdown, loss and theft of her mobile phone. It says that it will deal with claims for breakdown as follows:

"If your gadget is damaged or breaks down we will either.

1) repair the gadget (where possible), or

2) replace it with a gadget of the same make, model and memory size.”

Assurant has explained that it did previously have an arrangement with the manufacturer that policyholders could use its walk-in service for screen repairs (not other types of repairs) but this was only an option it could sometimes offer and did not form part of the policy terms. As such, Assurant says it was never something that it had to provide or that policyholder's were entitled to insist on.

I have not seen any evidence that this arrangement was in any of the policy terms before the current policy. I have set out above what Miss C's current policy says about how Assurant will deal with claims for repair. The policy terms set out Assurant's contractual obligations and the contractual agreement between it and Miss C. The policy provides for Assurant to repair the phone where possible and it can choose how that is achieved.

Given this, I think Assurant has repaired Miss C's phone in accordance with the terms of the policy and has therefore met its obligations. I do not consider that Assurant should reasonably have offered to pay for a repair by the manufacturer.

Miss C also says she should have been told of the change in Assurant's process and that, as it didn't, the policy was effectively mis-sold to her. As stated, the use of the manufacturer's walk-in service was not provided for as part of the policy terms and conditions, but rather just how Assurant sometimes chose to fulfil its contractual obligations as set out in the policy. As such, I am satisfied that it was not obliged to tell policyholders of this change in its process. Therefore, while I can understand it may have been disappointing for Miss C, having had this service offered in respect of previous claims, Assurant was not obliged to inform her of this change. I do not therefore consider that the policy was mis-sold to her.

However, even if, for argument's sake, I am wrong about this and the policy was mis-sold, as Miss C was not made aware the process had changed when she took out the policy for the relevant policy year, I do not think that this makes a difference to the outcome of this complaint. I will explain why.

Miss C says that if she had known about this change, she would not have continued with this policy. Where we are satisfied that this is the case, the appropriate remedy is to put the parties back in the position they would have been in had the policy never been in place. This would mean cancelling the policy and refunding the premiums. However, Miss C had her phone repaired, and also had another successful claim under the policy in October 2024. If she had not had this policy in place, she would either have had to pay for another similar policy, or paid for those repairs herself. So if the policy were cancelled as if it had never existed in the first place, Assurant would be entitled to the cost of those claims back.

In addition, even if Miss C had chosen to take another policy, most if not all other mobile phone insurance policies, I am aware of, use their own repair network and require policyholders to send their device to them for repair. So any claim under another alternative policy would likely have been dealt with similarly to Miss C's claim with Assurant and she would have been without her phone while it was being repaired. Given all of this, if Miss C had cancelled this policy with Assurant, I don't think she would have been in any better position.

I do not therefore consider that I can reasonably require Assurant to refund the premiums, or take any other action.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 27 February 2025.

Harriet McCarthy
Ombudsman