

The complaint

Mr O has complained about the quality of repairs carried out on his damaged phone by his mobile phone insurer, Assurant General Insurance Limited ('Assurant'). He is also unhappy with issues he is still having when trying to use its online system.

What happened

Mr O has a mobile phone policy through his packaged bank account. He said he has had this account and the policy for over ten years.

In January 2024 Mr O wanted to make a claim to Assurant after the screen on his phone was damaged. He tried to log onto its online system but wasn't able to as his details were not recognised.

Mr O called Assurant who said it would look into this. Mr O complained and said the same issue has been going on for around five years and happens when he tries to register a new device. It told Mr O he could log his claim over the phone but he said he wanted the IT issues to be resolved first.

Assurant responded to the complaint in February 2024 and offered Mr O £40 compensation for the ongoing IT issues. Assurant said it couldn't provide any timescales for when the IT issues would be resolved. It also said that it failed to update Mr O with developments and apologised.

Mr O proceeded with his claim in March 2024 and his phone was repaired and returned to him. Mr O said he started noticing micro scratches on his new screen within a few weeks. He complained to Assurant in May 2024 and said that the parts it used were of poor quality and wasn't happy he had to pay a £75 excess to have such a poor quality repair.

Assurant upheld Mr O's complaint regarding the IT issues and acknowledged the issues were still unresolved. But no further compensation was offered. It said it wasn't upholding the complaint about the repairs because its policy says that it may use refurbished or unbranded parts when carrying out repairs.

Mr O then brought his complaint to our organisation. He said that he felt that Assurant had discriminated against him due to his race by failing to resolve the IT issue in a timely manner.

Assurant said that it appreciated Mr O's frustration but didn't feel he had been caused any detriment as he was still able to email or call it to register a device or log a claim.

One of our investigators reviewed the complaint and thought it should be upheld and that Assurant should pay Mr O £100 compensation in total. She said it should also look into the IT issue as a priority with a view to reaching a resolution within 30 days. And if it is unable to do so to provide Mr O with a substantive report. Our investigator thought the repairs were carried out as per Assurant's terms and conditions and didn't require it to do anything further. She also didn't think it had treated Mr O unfairly when dealing with his claim or complaint.

Neither party agreed with our investigator's view. Assurant said that it had received no other complaints regarding its system and said it may have been that Mr O was entering his details incorrectly. It reiterated that Mr O could still contact it using other methods. It said no further redress was warranted.

Mr O said that he could have paid £20 for similar quality parts and wanted Assurant either to provide premium parts or replace the handset. He said he started noticing screen defects within a few days of having his repaired phone back. He provided photos and video evidence showing the screen defects and also said that he stopped calling Assurant as he felt he was being discriminated whenever he spoke to its handlers.

Assurant said that the phone was repaired and passed a 64- point quality and function check. It provided photos of the phone after it was repaired and prior to it being sent to Mr O. It added that Mr O raised the issue of the scratches some time after having the phone back. It also said it wouldn't cover cosmetic damage in any event if the functionality wasn't affected. It provided phone calls of its conversations with Mr O and said its staff had remained professional at all times when dealing with Mr O and did not discriminate against him.

Our investigator listened to the calls but didn't change her view. She also thought that Assurant hadn't provided any evidence to show that the IT issue was an error on Mr O's behalf.

As there was no resolution the matter was referred to an ombudsman and passed to me to decide. Before I proceeded with my decision, I noted that Mr O had requested that we share evidence Assurant had provided to show that the phone had been quality checked. Assurant said this information was confidential and didn't agree that it should be shared with Mr O. It said this was because it was evidence from its repair provider's portal and not its own.

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.

Mr O's mobile phone policy includes cover in case the phone is damaged and says Assurant will either repair it if possible or replace it with a similar phone. Repairs will be made using readily available parts or Assurant may provide refurbished products which may include unbranded parts. An excess is also payable in the event of a successful claim.

The repairs

Based on what I've seen, on balance, I think Mr O's phone was returned to him without scratches. I think this is something he also accepts as he says the scratches appeared after he received the phone. From what I understand Mr O's complaint is that the quality of the screen is poor and had it been a better quality screen these micro scratches would not have appeared.

As Assurant said to Mr O under the terms of the policy the parts which will be used to repair a phone will be "readily available" ones and this means they may not always be genuine parts. This is quite common in mobile phone insurance policies, and I don't think it's unfair so I think Assurant can rely on this term. So I don't think it was doing anything that went against its terms and conditions in using an unbranded part. It follows that I am not upholding this part of Mr O's complaint.

For completeness I will also say that I appreciate that Mr O wanted to see Assurant's evidence regarding the quality checks carried out on the phone but Assurant said this was sensitive information. I think this is fair and reasonable as it is information Assurant obtained from a third party. But I'd like to assure Mr O that I have considered this information and there is nothing that would lead me to conclude that a quality check wasn't carried out. Furthermore, as I said above, Mr O accepts that the scratches appeared after he received his phone and not that the phone arrived with scratches already on the screen.

The IT issue

Mr O said that he has had issues logging on to his account for years. He reported the matter to Assurant in January 2024 and as far as I understand the matter has yet not been rectified. In one of its responses Assurant acknowledged that there was an issue with its system and that its IT department were looking into this but that priority matters would take precedence over this. It has since said that the issue may be that Mr O isn't following the process correctly or inputting his details wrong. Mr O insists the error is not to do with him and that his details are correct.

I think whatever the issue, this is something I would have expected Assurant to have resolved by now. For example, if it thinks Mr O is inputting the wrong information it can arrange a call with him to take him through the process. Or it's IT department could provide Mr O with new login details.

Assurant said that Mr O had other options such as email or phone. I don't think this is sufficient and as our investigator said if the option of going through its website is an option for other customers it should also be available to Mr O.

I understand this situation has caused Mr O some frustration and I think Assurant should compensate him for this. I think it should pay him £100 in total for the distress and inconvenience he suffered. This is in line with awards we would make in similar situations. In making this award I have borne in mind that Mr O wasn't prevented from making a claim or raising a complaint and also the fact that this is a website Mr O would only have reason to use occasionally.

I also think Assurant should endeavour to resolve the matter within 30 days of Mr O accepting this decision and if that isn't possible it must provide Mr O with details as to why

this is the case. If Mr O is still unhappy, he may bring a further complaint.

Allegations of discrimination

I've gone on to consider Mr O's complaint that he felt discriminated against because of his race. It's not our role to say whether a business has acted unlawfully or not – that's a matter for the Courts. Our role is to decide what's fair and reasonable in all the circumstances. In order to decide that, however, we have to take a number of things into account including relevant law, which includes the Equality Act 2010 ('the Act'), and what we consider to have been good industry practice at the time. So although it's for the Courts to say whether or not Assurant has breached the Act, we're required to take the Act into account, if it's relevant, amongst other things when deciding what is fair and reasonable in the circumstances of the complaint.

Mr O said that he felt discriminated against especially due to the time it has taken for Assurant to investigate the IT issues he was facing. He said this was more evident in their telephone conversations. I can understand why Mr O may feel this way but having listened to calls between Mr O and Assurant, I didn't think its handlers had treated him in any way that was unfair or unreasonable. As I said above, I think Assurant should have resolved the IT issue by now, but I don't think that this is anything other than poor customer service.

My final decision

For the reasons above, I have decided to uphold this complaint. Assurant General Insurance Limited must investigate and attempt to resolve the IT issue within 30 days of the date on which we tell it Mr O accepts my final decision. If it is unable to do so it must provide a substantive update to Mr O as to why this hasn't been possible.

Assurant General Insurance Limited must also pay Mr O £100 compensation in total for the distress and inconvenience it caused him. If it has already paid him the £40 it previously offered then it must only now pay £60. It must pay the compensation within 28 days of the date on which we tell it Mr O accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If Assurant General Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr O how much it's taken off. It should also give Mr O a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 April 2025.

Anastasia Serdari
Ombudsman