

## **The complaint**

Mr C complains that Chubb European Group SE declined a claim he made under his mobile phone insurance policy.

Reference to Chubb includes its agents and representatives.

## **What happened**

The circumstances aren't in dispute, so I'll summarise the background:

- Mr C has a mobile phone insurance policy underwritten by Chubb. He got in touch with Chubb to make a claim after he lost his phone. Chubb said it would investigate the claim and later spoke to Mr C to collect more information about the circumstances of the loss. Mr C called back several times to find out how the claim was progressing and when he would receive an outcome.
- Just over two weeks after making the claim, Chubb told Mr C the claim had been declined because it was fraudulent. Mr C complained about the claim outcome and the way it had been handled.
- Chubb conceded there had been poor service, including an avoidable delay, and paid Mr C £100 compensation. It maintained the claim was declined 'under section 9' of the policy, although it didn't say what this section was about.
- Our investigator said it was fair for Chubb to decline the claim. She thought it should pay a further £100 compensation for the way it had handled the claim, including the impact of wrongly applying a fraud marker, making £200 in total.
- Chubb didn't think it should pay further compensation. It said it hadn't alleged Mr C had acted fraudulently and hadn't applied a fraud marker externally. It had simply investigated the claim and gone on to decline it.
- As an agreement wasn't reached, the complaint has been passed to me.

## **My provisional decision**

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- When Chubb initially declined the claim, it quoted a policy term relating to fraud. Although it didn't explain to Mr C why it had done that. And when it responded to his complaint, it said the claim was declined under 'section 9'. It didn't explain what that was or why it had done that.

- The policy document doesn't contain numbered clauses. And the term Chubb quoted doesn't appear in it. From an internal document, I understand the reference to 'section 9' was in relation to a fraud policy term, albeit one which doesn't appear in the policy. Whilst the policy contains a similar fraud term, I would nonetheless expect Chubb to quote the correct term. And its complaint response should be clear about what term it's relying on and explain *why* it's relying on the term.
- In these circumstances, it's quite clear that the one and only reason Chubb has given for declining the claim is fraud. Yet it's given no explanation for doing so. And, in response to our investigator, it said it hadn't alleged fraud against Mr C.
- So I think it's fair to say that Chubb's position is unclear. Either it *has* relied on fraud to decline the claim – and it hasn't provided any information to support that. Or it *hasn't* relied on fraud to decline the claim – and hasn't given any other reason to decline it. In either case, I'm not persuaded Mr C has been treated fairly.
- I can see Chubb contemplated also relying on another policy term to decline the claim – one relating to a lack of information provided by Mr C. But I can't see it ever chose to rely on this term. And the term is again not in the policy – although a similar one is. Nor can I see it ever set out to Mr C what information it would like from him in order to consider the claim further. So I'm not persuaded it would be fair for Chubb to rely on this policy term, even if it intended to.
- As a result, I'm not satisfied it was fair for Chubb to decline the claim. The remedy to that is for it to reconsider the claim. The terms and conditions of the policy will apply and I would expect Chubb to keep in mind and rely on the correct terms when reconsidering the claim. It should also remove any fraud markers, whether internal or external, to ensure Mr C is in no way unfairly associated with fraud.
- If there's more information Chubb would like from Mr C in order to consider the claim, it should ask him for that information. And Mr C is entitled to provide Chubb with further information if he wishes. For example, he's mentioned being able to show he was in the area where he said the loss happened, at the time he said it happened. If he provides further information to Chubb, it should consider that alongside all other relevant claim information.
- In the complaint response, Chubb accepted its service had been poor at times and offered £100 compensation. Like our investigator, I'm not satisfied that goes far enough to put right the inconvenience caused by the service Chubb offered.
- Mr C made his claim in May 2024 – and still doesn't have an outcome. Whilst Chubb is entitled to investigate a claim, which may mean not accepting it at all, or accepting it after a reasonable period of time, I don't think the delay here is reasonable. It seems to have reached a decision – which it hasn't explained. And is concerned there's a lack of detail about the loss – but hasn't asked for more information about it.
- In these circumstances, I consider a total of £200 is fair and reasonable compensation. If the £100 offered has been paid already, only the remaining £100 need be paid.

### **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.

- Chubb didn't respond to my provisional decision. And Mr C responded to say he was happy with it.
- As neither party has challenged or commented on my provisional decision, I see no need to discuss it further. I remain satisfied it's a fair and reasonable outcome in the circumstances, for the reasons given in my provisional decision.

### **My final decision**

I uphold this complaint and require Chubb European Group SE to:

- Reconsider the claim, subject to the terms and conditions of the policy.
- Remove any external or internal fraud markers.
- Pay a total of £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 March 2025.

James Neville  
**Ombudsman**