

The complaint

Mr A has complained about the poor service he received and poor quality of replacement phones sent by AMERICAN INTERNATIONAL GROUP UK LIMITED trading as AIG UK- (AIG) when he made a claim under his gadget insurance policy.

What happened

The background is well known to both parties and isn't in dispute. So I have summarised it here. Mr A made a claim for a damaged mobile phone which AIG accepted. AIG initially said it would repair his phone but due to a part not being available, it offered a replacement instead, which Mr A accepted. However, there were multiple issues with delivery, the quality of the replacement phones sent, and the storage of the phones provided didn't match Mr A's. AIG eventually provided an adequate replacement phone to Mr A.

AIG apologised to Mr A and paid him a total of £210 compensation for the distress and inconvenience caused.

Mr A remained unhappy and asked us to look at his complaint. He said he believes AIG discriminated against him and the compensation award wasn't enough to put things right.

One of our Investigators thought AIG had done enough to resolve the complaint. She explained that she hadn't seen anything to suggest AIG had discriminated against Mr A.

Mr A didn't agree and wants an ombudsman to decide.

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.

It took approximately a month for AIG to properly settle Mr A's claim which I find to be unreasonable. AIG accepts its failings and upheld Mr A's complaint. The remaining issue for me to decide is whether the compensation AIG paid Mr A is fair and reasonable.

I think it's reasonable to expect a degree of inconvenience when having to deal with any claim. But in this case, AIG's poor service caused distress and disruption over what would be considered reasonable. I can appreciate how frustrated Mr A must have been and his claims experience with AIG was poor.

The awards we make are modest, and we take into account what an insurer did to put things right. While there were multiple issues, AIG responded promptly to Mr A when they occurred. This doesn't detract from the fact that Mr A had to contact AIG many times, and the obvious fact that he was without his mobile phone for longer than reasonable.

I understand Mr A feels AIG discriminated against him. However, having looked at all the evidence I don't think AIG has done so. Assurant accepts that it failed to properly deal with Mr A's claim. I haven't seen anything to suggest these failings happened as a result of AIG discriminating against Mr A.

I realise Mr A will be disappointed with my decision. But I think AIG has done enough to resolve his complaint by paying compensation of £210 for the distress and inconvenience

caused. The award of compensation it has paid is in line with awards we give in similar circumstances, examples of which are available on our website.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 April 2025.

Geraldine Newbold
Ombudsman