

The complaint

Mr M is unhappy with how Assurant General Insurance Limited has handled a claim he made on his mobile phone insurance.

What happened

Mr M held mobile phone insurance underwritten by Assurant. Mr M sadly had several mobile phones stolen during a trip abroad, so he made a claim to Assurant. Assurant explained that Mr M's policy only covers two claims per year, and it would deal with them one at a time.

The phone Mr M chose to claim for first was an uncommon make and model. Assurant and Mr M disagreed about the exact model of it. Assurant told Mr M that it thought the phone was only worth around £70 and advised Mr M of his £100 policy excess. Mr M disagreed with this. He provided an online advert that he thought showed his phone was worth 349 US dollars. Assurant asked Mr M for proof of purchase of the phone. Mr M provided this in the form of a hand-written invoice from the market where he'd bought it.

Assurant accepted the claim. It asked Mr M to pay the £100 excess before it could reach a settlement. Mr M told Assurant that he didn't have enough money to pay the excess. He asked Assurant to deduct it from his settlement. When Assurant didn't agree to this, Mr M complained. He said he'd been told by a previous agent that Assurant would deduct the excess from a cash settlement, or waive it. He also said he'd been told that Assurant would pay the amount on his invoice if he sends this is.

Assurant looked into the complaint and didn't uphold it. It said it had listened to the calls and didn't agree that it had misled Mr M. It said the excess needed to be paid.

Mr M didn't think this was fair, so he referred the matter to the Financial Ombudsman. He said he would like Assurant to pay the invoice amount and to deduct the excess from this.

Our investigator looked into this complaint and didn't think it should be upheld. He thought it was fair for Assurant to require the excess before it settles the claim. He also didn't think Assurant had misadvised Mr M.

Mr M didn't think this was fair. He said he was told that Assurant would pay the invoice amount.

As Mr M didn't agree, the matter has been passed to me to make a final decision.

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.

Having done so, I've decided not to uphold the complaint for broadly the same reasons as our investigator. I know this will be disappointing for Mr M and I'm sorry about that. I've explained my reasoning below. I've focused on what I think is most relevant. If I haven't

commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

Assurant has accepted Mr M's claim for the first phone. But, before it settles the claim, it has asked Mr M to pay his £100 policy excess. I've reviewed Mr M's policy terms and I can see the excess needs to be paid before the claim will be settled. The terms say:

"You need to pay a contribution of £100 every time you make a successful claim for loss, theft, damage or breakdown. This is the excess. Your excess is payable for every accepted claim and must be paid before your claim will be settled. You should consider this excess when deciding if this policy is suitable for you."

So, I think it was correct for Assurant to ask Mr M to pay the excess before it considers how to settle the claim.

Mr M told Assurant that he didn't have enough money to pay the excess. He also says Assurant promised to waive the excess or deduct it from a cash settlement. Assurant says it listened to the calls and doesn't agree with Mr M's version of events.

I'm sorry to hear that Mr M was having financial difficulties. I acknowledge his recollection. But I've listened to the calls, and I didn't hear Assurant say that it would waive the excess or deduct it from a cash settlement. I also don't think it was unreasonable for Assurant to decline to do this. I say this for two reasons.

First, Mr M's policy requires Assurant to offer a replacement phone or a suitable alternative. It doesn't require Assurant to pay the claim in cash. The terms say:

"If your mobile phone is lost or stolen we will replace it with a mobile phone of the same make, model and memory size. If we cannot do this you will be given a choice of models with an equivalent specification."

Assurant has said it would only pay a claim in cash as a last resort, for example, if it can't find a replacement or an alternative. But I haven't seen any evidence to suggest that this would be the case here.

Second, I think there's reasonable evidence to suggest that Mr M's phone may be worth less than the £100 policy excess. So, I don't think it would have been fair for Assurant to promise a cash settlement, as, with the £100 excess, there may have been no payment due at all.

There's disagreement about the model of Mr M's phone. I haven't referred to the exact models to protect Mr M's anonymity. Mr M says his phone is a 'Model 7', which is written on his invoice. Assurant thinks it's a 'Model 2' based on the IMEI number on the invoice. Assurant hasn't provided evidence to show the Model 2 is a separate model from the Model 7. But it has provided its IMEI search results which say that it's a Model 2.

I've looked at the advert Mr M provided of a Model 7, which he says is the same as his phone. I've also looked at other adverts for Model 7s. Having done so, I don't think the Model 2 and Model 7 are separate. The adverts I've reviewed describe the phone as a "[brand] Model 2 (Model 7)". So, I think it's likely the Model 7 is a version of the Model 2.

Even so, I recognise what's important to Mr M is the value of his phone. He disagrees with Assurant's opinion that it may only be worth £70. He's referred to the online advert he sent to Assurant to demonstrate this, which he says was on sale for 349 US dollars. However, this

advert shows the phone was on sale for “\$349.00 HKD” – meaning 349 Hong Kong dollars, not US dollars. I’ve checked online and \$349 HKD is worth around £35. I’ve also seen adverts for the same phone on sale for less than £100. So, even if Mr M’s policy did provide for a cash settlement, I don’t think Assurant could have reasonably offered this here.

I appreciate Mr M paid £180 for the phone based on his invoice, and he’d like Assurant to pay this amount. But Mr M’s policy doesn’t require Assurant to pay the invoice amount. It only requires Assurant to give Mr M a replacement or a suitable alternative. And having listened to the calls, I’m satisfied Assurant didn’t tell Mr M that it would pay the invoice amount.

With all this in mind, I think it was fair and reasonable for Assurant to ask Mr M to pay his excess before it settles the claim – in line with Mr M’s policy terms. I also haven’t found that Assurant misled Mr M. So, I don’t uphold the complaint and I don’t require Assurant to do anything further.

If Mr M decides to go ahead with the claim, I agree with Assurant that he will need to pay his policy excess, and then Assurant will need to settle the claim in line with Mr M’s policy terms. If Mr M is unhappy with how Assurant goes on to settle the claim, Mr M would be entitled to raise a new complaint, and he could potentially refer this to our Service if he’s still unhappy.

Regarding Mr M’s claim for the second phone, Assurant hasn’t dealt with this yet. But it has pointed out that the IMEI number Mr M provided appears to be a few digits short. Assurant has said it would need the full number. I can see Mr M gave Assurant the IMEI number showing on his invoice, so he may wish to contact the seller to try to obtain the full number.

My final decision

For the reasons set out above, I don’t uphold Mr M’s complaint about Assurant General Insurance Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 28 April 2025.

Chris Woolaway
Ombudsman