

## **The complaint**

Mr W has complained about the way Great Lakes Insurance SE handled a claim he made under his mobile phone insurance policy.

Reference to Great Lakes includes its agents and representatives.

## **What happened**

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

- Mr W made a claim for accidental damage to his mobile phone. Great Lakes accepted the claim, found the phone was beyond economic repair, and sent Mr W a replacement phone.
- A few months later, Mr W said there was a problem with the battery and the bezel, and sent the phone back to Great Lakes. It said Mr W hadn't reported the damage within 48 hours of delivery of the phone, so it wouldn't be covered by the warranty. But Mr W could make a new claim, which would mean paying a new excess.
- Mr W didn't think this was fair. He said he'd noticed the bezel damage immediately upon delivery, and taken photos of it, but accepted he hadn't reported it to Great Lakes within 48 hours. However, he later had problems with the battery which meant it was only useable when charging. The battery began to visibly swell, so he thought it may be unsafe, stopped using it, and got back in touch with Great Lakes.
- Mr W complained about the way the matter had been handled, including the way Great Lakes had communicated with him, and the resulting impact on him.
- Our investigator thought Great Lakes had acted unfairly. She said it should assess the battery problem, but not the bezel damage, and pay £250 compensation for the impact of its poor service.
- Both parties disagreed with this outcome and made further comments. Of particular note, Great Lakes said the bezel damage was the likely cause of the battery problem. And it couldn't put the battery problem right without also putting the bezel damage right. That meant the warranty wouldn't apply and Great Lakes would be faced with the cost of putting things right, unable to pass those costs onto its supplier.
- As an agreement wasn't reached, the complaint has been passed to me.

## **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.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards,

codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

- As our investigator has explained, complaint handling in isolation isn't an activity we can consider. So I haven't considered this point.
- It's not in dispute that the original claim was covered by the policy or that the replacement phone was, in principle, a reasonable way to settle the claim. So I don't need to consider these points.
- There are two key complaint points for me to consider. Firstly, should Great Lakes take any steps in relation to the replacement phone? And, secondly, did Great Lakes handle the claim fairly and reasonably? I'll consider each point in turn.

*Should Great Lakes take any steps in relation to the replacement phone?*

- The policy says it will provide a 12 month warranty for a replacement phone. And if the phone was 'damaged in transit', warranty claims will only be accepted if reported within 48 hours of delivery and the packaging is retained.
- It's agreed Mr W didn't report the bezel damage within 48 hours of delivery – he did so a few months later. Great Lakes said this meant he didn't fulfil the policy terms noted above. Mr W disagreed. He noted the policy term referred to 'damage in transit' and said the damage likely took place *prior* to transit, not *during* transit, based on the condition of the packaging. He also said he noticed the damage immediately upon delivery, took photos of it, and it hadn't worsened over time. So he didn't think the policy term applied and Great Lakes should deal with the bezel damage.
- A dispute has arisen about the meaning of the phrase 'damaged in transit'. And there's no professional opinion about the cause or timing of the bezel damage. So there are a number of points I could consider about this point. But I don't need to make a finding about them. I'll explain why, by turning to the battery problem.
- Great Lakes said the bezel damage likely caused the battery problem, but it's provided no evidence to support that position. Whilst I accept that chain of causation is possible, Great Lakes hasn't persuaded me it's likely. So I'm not satisfied the two matters are linked. Which means they should be considered separately.
- Great Lakes didn't assess the battery problem, so there's no evidence to show how it was caused. As a result, there's nothing to show the problem was caused in transit – no matter how that phrase is interpreted. That means there was no policy requirement for Mr W to report it within 48 hours of delivery or retain the packaging. He said the problem arose in the months after delivery and, once the battery had swollen and he'd stopped using the phone, he reported it to Great Lakes. This was well within the 12 month warranty offered by the policy. So I'm satisfied Mr W has fulfilled the policy terms in relation to the battery problem.
- During our investigation, Great Lakes has indicated that *all* damage must be reported within 48 hours of delivery. That's not what the policy says. And nor is it a fair and reasonable position to take. Some problems may not develop or be noticeable for weeks or months – and the policy offers a 12 month warranty. It's only 'damage in

transit' which must be reported within 48 hours of delivery. Other damage or problems aren't caught by that policy term.

- Great Lakes said it couldn't consider the battery problem under the warranty because of the bezel damage. But it hasn't pointed to any policy term to explain why that is. And it's said the bezel damage would likely have led to 'further damage' if they'd tried to remove the battery. But it's provided no evidence to support this comment, or explained that further damage it thinks would likely have been caused.
- In the circumstances, Great Lakes should have dealt with the battery problem under the warranty. That would likely have meant carrying out a repair to the battery, replacing the battery, or replacing the entire phone. Great Lakes didn't do this because it said each of these options would mean putting right the bezel damage.
- That may be the case. It's possible that in the course of resolving the battery problem, the bezel damage would also be put right. If that increased the cost to Great Lakes, I can see why it may raise an objection – and then the bezel damage would have to be considered in its own right. But I haven't seen any evidence to show the bezel damage would increase the cost of putting right the battery problem. So the bezel damage has no impact on the options for putting right the battery problem. And even if it did have an impact, that wouldn't make it fair to completely disregard the warranty cover for the battery as Great Lakes has done.
- Great Lakes may have agreements with its supplier, or other parties, which are impacted by the claim. But that's not Mr W's concern. He and Great Lakes are bound by the policy wording, and what's fair and reasonable in the circumstances – not any other third party agreements Great Lakes may have. I've set out above the position in relation to the policy wording and what I consider to be fair and reasonable. And I'm satisfied Great Lakes should take steps in relation to the replacement phone.
- Great Lakes should put the battery problem right as part of the existing claim. Mr W doesn't need to make a new claim or pay a second excess. To put it right, Great Lakes should carry out one of the methods I noted above – or agree a cash amount with Mr W. It should explore the options and discuss them with Mr W.

#### *Did Great Lakes handle the claim fairly and reasonably?*

- Mr W first raised the battery problem with Great Lakes in October 2024. But, due to the way it handled matters, it's likely the problem will be resolved in April at the earliest. That's an unreasonable timeframe in my view. In the meantime, Mr W has been without the use of the phone. That's undoubtedly caused him avoidable distress and inconvenience.
- Mr W often had to chase Great Lakes for responses, and sometimes even his chasers weren't answered. So I'm not satisfied Great Lakes communicated with him fairly. This would have exacerbated his distress and inconvenience.
- In these circumstances, I consider Great Lakes should pay compensation for the way it handled the claim. I'm satisfied £250 is fair and reasonable.

#### **My final decision**

I uphold this complaint.

I require Great Lakes Insurance SE to:

- Put the battery problem right as part of the existing claim.
- Pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 May 2025.

James Neville  
**Ombudsman**