

The complaint

Mr S complains that Chubb European Group SE (Chubb) declined his mobile phone insurance policy claim. My references to Chubb include the business it appointed to do the phone investigation interview with Mr S.

What happened

In March 2024 Mr S claimed for his lost mobile phone on his mobile phone insurance. Chubb is the insurer of the policy.

Chubb told Mr S it had declined the claim under the policy terms.

Mr S complained to us. He wants Chubb to accept the claim.

During our investigation Chubb told us it had declined the claim as, due to inconsistencies in what Mr S had told it about his claim, it suspected fraud.

Our Investigator thought Chubb hadn't fairly declined the claim. He recommended that Chubb: reconsider Mr S' claim in line with the remaining policy terms; reinstate the policy; pay Mr S £150 compensation for his distress and inconvenience due to its claim handling; remove any fraud markers in relation to the claim being declined and the policy being cancelled from any internal or external database (if any recorded).

Chubb then sent us a phone recording of its investigation interview with Mr S. Chubb said it was clear from the recording that Mr S was "contradictory, unsure and evasive throughout" when asked questions. It still suspected the claim was fraudulent.

Our Investigator considered the additional evidence but didn't change his mind. As no agreement has been reached the complaint has been passed to me 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.

The policy says that Chubb will repair or replace the insured mobile phone if:

"It is Lost and disappears in circumstances that do not involve Theft and it cannot be recovered;

It is taken unlawfully from You, an Authorised User or anyone temporarily holding or storing Your Mobile Phone for You or an Authorised User."

Chubb has told us it declined the claim using the following policy wording:

"Fraud

If We suspect You or anyone acting on Your behalf makes a claim which is in anyway false or fraudulent or supports a claim with any false or fraudulent statement or document, You will lose all benefit and any payments You have made for this insurance. We may also seek recovery of any successful claims We have settled under this insurance if We later discover or suspect claims to be fraudulent.

If You fraudulently provide Us with false information, statements or documents, We will record this on anti-fraud databases and may also notify other organisations. See the section "How We use Your data" for more details.

We may choose not to offer cover in the future to You or anyone connected with You if We suspect fraudulent activity on this or any other associated insurance policy".

I need to decide whether there's enough evidence for Chubb to reasonably consider that it's more likely than not that Mr S made a fraudulent claim.

When Mr S initially claimed, in March 2024, he told Chubb that his brother had the iPhone in his pocket when the phone was stolen when they got on a bus. When discussing the claim with Chubb a few days later, Mr S said he had the iPhone when it was stolen or lost. In the same call Chubb questioned Mr S about the contradiction and he again said it was his brother who had the phone at the time of loss/theft.

During Mr S' phone investigation interview with Chubb in April 2024 he continued to say that his brother had the phone when it was lost/stolen. During the interview it became clear that his brother was actually his friend. But Chubb's investigation report says Mr S was using the word "brother" in its colloquial form, and I also think that's most likely.

From what Mr S told Chubb, he'd given his phone to his friend to charge up. Mr S discovered the phone had been lost/stolen when about five minutes later he asked for the phone and his friend said he didn't have it. Mr S and his friend were together and whether he or his friend had the phone at the time of the phone's loss/theft wouldn't affect whether Mr S' claim should be accepted or the value of the claim. It wouldn't be reasonable for Chubb to decline Mr S' claim due to fraud just on the basis of him saying on one occasion that he had the phone which he corrected in the same call.

If a claim has been turned down because of fraud we'd usually expect an insurer to tell the consumer that was the reason. The consumer should have the opportunity to prove their claim is genuine or explain the issue the insurer had doubts about. I've listened to the call recording of the investigation interview and Chubb did then tell Mr S it had concerns about what he'd said around how the loss or theft happened and asked for his comment. I haven't seen that Chubb told Mr S it had declined the claim because it suspected his claim to be fraudulent.

Having listened to the recording, Mr S' description of what happened when the phone was lost/stolen wasn't as clear as Chubb would have wanted. But I don't agree with Chubb's comment that Mr S was "contradictory, unsure and evasive throughout" when asked "simple questions" about the claim. I think it's clear from the recording that there was a language barrier and Mr S was having difficulty in understanding some of the questions Chubb asked, particularly the multiple questions. I don't think Mr S needing some of the questions to be repeated meant he was being unsure or deliberately evasive. Chubb hasn't highlighted to us any contradictions Mr S made.

Due to the language barrier, I consider Mr S to be a vulnerable consumer. It would have been reasonable for Chubb to have taken that into consideration to give appropriate support to enable him to give full details about the circumstances of his claim.

I'm not persuaded there's enough evidence for Chubb to have reasonably concluded that it's more likely than not that Mr S made a fraudulent claim. So Chubb didn't fairly decline the claim using the above policy terms about fraud.

Chubb must reconsider Mr S' claim in line with the remaining policy terms.

If Chubb cancelled the policy and Mr S wants to retain the policy Chubb must reinstate the policy. Reinstatement should be from the date the policy was cancelled but only after Mr S has paid the backdated premiums. That's because Mr S needs to pay premiums for the time he has the policy.

Chubb must also remove any fraud markers in relation to the claim being declined and the policy being cancelled from any internal or external database (if any have been recorded).

Our Investigator recommended Chubb pay Mr S £150 compensation for his distress and inconvenience. Chubb's internal notes show that in May 2024 it offered Mr S £50 compensation due to its delay in assessing the claim. I've seen no evidence that the £50 was paid to Mr S.

I think £150 compensation, including Chubb's original offer of £50, is a reasonable amount to acknowledge Mr S' distress and inconvenience due to how Chubb handled his claim.

My final decision

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

- Reconsider Mr S' claim in line with the remaining policy terms, and
- Reinstatement the policy from the date the policy was cancelled once Mr S has paid the backdated premiums, if Chubb cancelled the policy and Mr S wants to retain the policy, and
- Remove any fraud markers in relation to the claim being declined and the policy being cancelled from any internal or external database (if any have been recorded), and
- Pay Mr S £150 compensation in total for his distress and inconvenience (to include its initial offer of £50) due to its handling of the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 May 2025.

Nicola Sisk

Ombudsman