

The complaint

Mr R complains that his mobile phone insurance policy had been cancelled and that Assurant General Insurance Limited didn't accept his claim.

What happened

Mr R took out insurance for a mobile phone. Assurant was the insurer. The policy was administered by another business. Assurant appointed that business to act on its behalf so in this decision I'll refer to both businesses as Assurant, although Mr R will know the business who administered the policy by another name.

On 29 December 2023 Mr R upgraded his phone to an iPhone 15 Pro with a new loan agreement. He didn't buy new insurance cover for that phone at that point. Under the policy terms the existing insurance for his existing phone was cancelled. On 1 January 2024 Assurant sent Mr R a text message telling him the policy was cancelled.

On 23 January 2024 Mr R tried to claim for his iPhone which he said had been lost. Assurant said it told Mr R there was no policy as his phone upgrade had cancelled the policy. Assurant said Mr R agreed he hadn't bought a new policy for the iPhone as he'd thought the policy would continue on the upgraded phone.

On 24 and/or 25 January Mr R tried to buy insurance for the iPhone and Assurant told him that wasn't possible as the phone was already lost. Mr R said he'd now found the phone. Assurant told him to take the iPhone to one of the phone provider's stores to validate that the phone had been found. Mr R did so and on 26 January 2024 he bought insurance for the iPhone. Assurant sent Mr R a text message saying the policy was active.

On 24 May 2024 Mr R upgraded his phone for a Google Pixel taking out a new loan agreement. He opted to collect the phone in store. On 29 and 31 May 2024 Assurant sent Mr R text messages saying his phone was ready to collect and he collected the new phone on 31 May 2024. On 31 May 2024 Assurant sent Mr R a text message telling him the insurance policy had been cancelled.

On 19 June 2024 Mr R made a claim for the iPhone saying it had been lost the previous day. Assurant wouldn't accept the claim as there was no policy for the phone in existence. It said its text message of 31 May 2024 told Mr R the policy had been cancelled.

Mr R complained to us that the policy had been cancelled without telling him and he only found out when he tried to claim on the policy. He wants his claim accepted and settled. We initially told Mr R that as the policy was insured and administered by different businesses we needed to separate his complaint. But we then wrote to Mr R explaining why Assurant was responsible for both administering the policy and deciding the claim outcome.

Our Investigator said Mr R's policy had been fairly cancelled and his claim fairly not accepted.

Mr R disagrees and wants an ombudsman's decision. He said:

- If he'd received or seen notification on 31 May 2024 that the policy had been cancelled he would have taken immediate action to be insured. Given the importance of insurance cover it was reasonable for him to expect that Assurant would also tell him by email and/or phone that the policy had been cancelled, especially as he was continuing to make monthly payments. Assurant hadn't provided evidence that he was adequately notified.
- When he collected the upgraded phone in May 2024 the phone provider's customer service told him that his insurance would remain the same and there was no need to update the policy. Relying on that information, he purchased the new phone and continued using his iPhone with the same number.
- He's continued paying the instalments on the iPhone believing the insurance was still active, based on what he was told at the phone provider's store. He's been caused significant distress and financial hardship by losing an uninsured phone.

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.

I'm satisfied from the wording I've seen in the policy and other documents that Assurant is the business that's ultimately responsible for administering Mr R's policy and deciding the outcome of his claim.

This decision is about whether Assurant fairly cancelled the policy and whether it fairly declined the claim.

The cancellation terms in the policy say:

"Duration of this policy

This insurance policy will continue to run on a monthly basis until one of the following events happens:

- *You contact us to cancel the insurance.*
- *The insurer cancels the insurance.*
- *In the event 3 successful claims are made in a continuous 12 month period.*
- *Where you upgrade your Device with (the mobile phone provider) (a new policy will be offered with the upgraded Device)."*

All the notes and correspondence I've seen say the claim Mr R made in June 2024, the disputed claim, was for his iPhone (with the iPhone specification details given).

When Mr R collected his new phone on 31 May 2024 he upgraded his phone. The policy is clear that the insurance policy for a phone will no longer continue when the phone is upgraded. So when Mr R collected his upgraded phone on 31 May the policy for his iPhone ended. I think Assurant acted correctly in line with the policy terms in cancelling the policy at that point. And I think it acted fairly in doing what the policy said it should do – cancel the policy.

Assurant's decision not to accept the claim Mr R made in June 2024 was correct as from 31 May 2024 there was no existing policy for the iPhone for Mr R to make a claim against. But I also need to decide whether Assurant acted fairly in not accepting the claim.

I've seen Assurant's system's notes which show that on 31 May 2024 it sent Mr R a text message telling him the insurance policy had been cancelled. The message read:

"Hello. Just to confirm, we've now removed a (name of phone provider) Insurance policy from your account. Please note that if you have recently upgraded, this could be us removing the insurance for your old device. If you have purchased a new device, you should have already received a message related to any new insurance policy. For any questions about insurance, please visit (contact details)".

I think it's more likely than not that Mr R received the 31 May 2024 text message as it was sent to the alternative phone contact number registered to the account to which Assurant had sent the other above text messages. Mr R had collected his new phone acting on the texts telling him his new phone was ready for collection. Assurant has also pointed out that the alternative phone number is the contact number Mr R provided to us.

I think Assurant could reasonably understand that Mr R had received notification by text that the policy was cancelled. I don't think it needed to also send the message about the policy cancellation to Mr R by phone and/or email.

I've also seen evidence that Mr R's June 2024 account from the phone provider showed he'd been credited the overpayment for his insurance from 31 May 2024, when the policy was cancelled. So Mr R should have known he was no longer paying for the insurance.

I don't know the exact details of what Mr R discussed with customer services at the phone provider's store when he collected his new phone. I think it's unlikely he would have been told the policy for the iPhone would continue when he got an upgraded phone as it's very clear in the policy document that wouldn't happen. And Mr R knew from his experience four months earlier in January 2024 that upgrading a phone meant the existing policy was cancelled.

I appreciate it's possible that Mr R may have overlooked the text message about the policy cancellation that he received on 31 May 2024. However, given the timings of events, I think it's fair for me to say that Mr R should have been reasonably aware that the policy for the iPhone ended when he upgraded the iPhone.

Given all the evidence I don't think it would be reasonable for me to say Assurant should accept the claim Mr R made in June 2024 when the policy no longer existed. I'm satisfied that Assurant fairly didn't accept the claim.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 May 2025.

Nicola Sisk
Ombudsman