

The complaint

Mr P and Miss R have complained about how Aviva Insurance Limited (Aviva) dealt with a claim under a mobile phone insurance policy.

As Mr P mainly seemed to deal with the claim and complaint, for ease, I will normally only refer to him.

References to Aviva include companies acting on its behalf.

What happened

Mr P made a claim for damage to his mobile phone. Aviva assessed the claim and said it would replace the phone. Mr P spoke to Aviva to ask why it was only offering to replace, rather than repair, the phone. Aviva said it depended on the phone and some parts were more difficult to find. It said it used genuine manufacturer parts. Mr P said he would think about whether to proceed with the claim. A few days later, Mr P decided he wanted to go ahead with the claim. He paid the £100 excess and was provided with a replacement phone in exchange for his damaged device.

Mr P complained that no repair option was available for his phone. When Aviva replied, it didn't uphold the complaint. It said it couldn't change the repair availability, repair appointments were subject to availability and it couldn't determine when the next available date would be.

Mr P complained again about Aviva's handling of his claim. He said he had to pay a £100 excess for a replacement and it wasn't clear what happened to devices that became the property of Aviva as part of a claim. When Aviva replied, it said when a replacement phone was issued, the original handset was refurbished or securely recycled. It said its claim settlement was in line with the terms of the policy. It had been unable to offer a repair for Mr P's particular phone and this had required a higher excess fee for a replacement device. It said it would refund £50 of the excess paid.

When Mr P complained to this Service, our Investigator said Aviva had acted in line with the policy terms and conditions. Insurers generally used their own repairers and suppliers to settle claims. She said it was reasonable that Aviva refunded £50 of the excess paid. This meant Mr P paid the excess for a repair, rather than a replacement, because Aviva acknowledged it was unable to offer a repair. The policy terms said the original phone would become the property of Aviva.

As Mr P didn't agree this fairly addressed his complaint, it was referred 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.

Having done so, I don't uphold this complaint. I will explain why.

I'm aware Mr P had a range of concerns about his mobile phone policy. However, based on what I've seen, a lot of this was around the sale of the policy. I'm aware Mr P also wants future product information to say that his particular make of phone couldn't be repaired under the policy. My decision is about Aviva and its actions in handling the claim. Aviva didn't sell Mr P the policy. So, I'm unable to consider any of the issues around the sale, including the product information, as part of this decision.

Mr P was concerned that when he made a claim for his damaged phone, he was only offered a replacement, rather than a repair. Looking at the policy wording, this said:

"If, during the period of cover, your phone is damaged or suffers a breakdown due to an internal fault which occurs after the manufacturer's warranty has expired, we will either provide you with a replacement phone or will arrange for your phone to be repaired, (if the repair option is available). This will be discussed with you when you make your claim."

When Mr P registered the claim, the repair option wasn't available for his phone. So, Aviva offered to replace it. When Mr P spoke to Aviva, he was told the repair option was probably unavailable because it was difficult to get parts for some phones. I'm aware Mr P has said he could have arranged for his phone to be repaired at a shop, which meant it was possible to repair the phone. However, it was a business decision for Aviva to make about what suppliers it worked with to carry out repairs. This Service can't tell insurers what businesses they should use. I also don't think it was unusual that Aviva only worked with particular suppliers. So, I'm not persuaded Aviva did anything wrong, even if Mr P was able to arrange a phone repair himself outside of his policy. Aviva was unable to repair the phone, so it offered a replacement, which was in line with the policy terms. So, I think that was fair.

A repair under the policy had a £50 excess and a replacement device had a £100 excess. As Aviva was unable to offer the repair option for Mr P's phone when he made the claim, Aviva later said it would refund £50 of the replacement phone excess he had paid. This meant Mr P paid the same excess as he would have if the phone had been repaired. In the circumstances, I think that was fair.

Mr P was also concerned about what happened to his original phone, which he had to return to Aviva to receive the replacement handset. Looking at the policy terms and conditions, these said: *"Your original phone will become [Aviva's] property once a replacement phone has been issued"*. I don't think it's unusual that an item that is being replaced under a claim becomes the property of the insurer. I'm aware Mr P was concerned that Aviva might profit from his device, such as by selling it on. However, it is for an insurer to decide what to do with that device once it becomes its property. I haven't seen anything that persuades me Aviva's actions in how it settled the claim were unusual or influenced how it settled the claim. Aviva also explained to Mr P that it fully erased all personal data from phones when they were received at its warehouse. Based on what I've seen, Aviva acted in line with the terms and conditions of the policy.

I'm aware this Service also passed a request from Mr P to Aviva that it provide him with a document that showed the details of the replacement phone in case he needed to make a claim. Aviva then sent Mr P the requested document. Aviva also explained to this Service that this information was already registered on its system so if Mr P had made a claim for the replacement phone, it would have been able to deal with it. From what I've seen, Aviva was simply responding to a request passed to it by this Service. I'm aware Mr P also raised this with Aviva when he received the first complaint response. However, it didn't need to keep corresponding with Mr P once he had received referral rights to this Service for that complaint.

So, having looked at everything that happened, I don't uphold this complaint and don't require Aviva to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Miss R to accept or reject my decision before 27 August 2025.

Louise O'Sullivan
Ombudsman