

## **The complaint**

Mr A's complaint is about the rejection of a claim under his mobile phone insurance policy with Assurant General Insurance Limited.

## **What happened**

In November 2024, Mr A contacted Assurant to make a claim, as he had lost his phone while out walking. Assurant asked for some information from Mr A to support his claim, including proof of purchase and proof of usage of the phone, as well as copies of bank statements and screenshots to show he had put the phone on lost mode on his cloud account.

Mr A said the phone was not linked to a cloud account but provided the other information requested. Assurant said that the bank statements and another document had been modified and also did not show the same address as Mr A had given it. Mr A updated his address with his bank and provided Assurant with a video of him accessing his online banking app, to verify his account. However, Assurant rejected the claim as it said it could only review the claim based on the information originally provided to it and it could evidence through use of software that some of the documents provided had been modified, which it says brings into question the validity of the claim.

Mr A is very unhappy with this. He says it is in breach of Financial Conduct Authority principles and rules regarding the handling of insurance claims. Mr A says Assurant did not fully consider the additional evidence he provided. The unfair rejection of his claim has caused him significant stress and financial burden and has disrupted his daily life as he relied on his phone for work and personal use.

Mr A says he has been renting a phone from his brother in the meantime and is having to pay his brother £35 per day for this. Mr A asks for payment of £3,300 approximately (up to February 2025) for this. He says he is entitled to recover this as a consequential loss arising directly from Assurant's unfair rejection of his claim.

One of our Investigators looked into the matter. He determined that the complaint should be upheld. The Investigator recommended that Assurant should reassess the claim and pay Mr A £200 compensation for the trouble caused to him. The Investigator also said Assurant should consider the claim for reimbursement of the payments Mr A says he has made to his brother.

Assurant did not accept the Investigator's assessment. It said that he seems to accept that Mr A provided documents that were not true or original and providing documents to aid the assessment of a claim in an attempt to benefit from insurance is fraudulent and is against the terms of the policy and principles of insurance.

As the Investigator was unable to resolve the complaint, it was passed to me. I issued a provisional decision on the matter earlier this month. I determined that Assurant should reassess the claim but did not consider it can reasonably be required to make any payments to Mr A. I have copied my provisional findings below:

“Mr A’s policy provides cover for accidental loss of his phone. It is a principle of insurance law that it is for the claimant to establish, on the balance of probabilities, that they have a valid claim under a policy. This means in the context of this case that Mr A has to prove it is more likely than not that he owned and possessed the phone for which he is claiming, as well as that he suffered a loss covered by the policy.

If a valid claim is not established then Assurant would be entitled to refuse it. The policy also contains the following wording regarding situations where false or inaccurate information is provided:

*“If false or inaccurate information is provided and fraud is identified then we will*

*• Not honour the claim and we will cancel your policy. If an excess has been paid this will not be returned, this is not a penalty this is to cover administration costs”.*

Assurant asked Mr A for further information when considering his claim. I think it was entitled to ask for information about his usage and possession of the phone and proof of his identity.

I have to consider whether it is reasonable, taking into account all the circumstances, for Assurant to reject the claim based on the information provided by Mr A.

Assurant has provided evidence about the modification of some of the documents Mr A provided. He has provided a video to verify his bank statements and account details. I cannot be certain, from what I have seen, if Mr A provided false or inaccurate information. However, I think it has raised questions that Assurant is entitled to pursue. I do not therefore consider, on the evidence currently available, that Assurant can reasonably be required to meet the claim. However, I also agree with the Investigator that there is not enough evidence for Assurant to reject the claim for the reasons it did.

The above policy term says a claim will be refused and the policy cancelled, if there is inaccurate information and fraud is identified. Assurant has not made an allegation of fraud to Mr A but has said that the evidence it has of the modification of documents calls into question the validity of the claim. Essentially, its position seems to be that the claim could be fraudulent.

In order to establish fraud, it would need to be established that any false or inaccurate information was provided with the intention of gaining benefit to which the claimant is not entitled. There is no evidence available to me that Mr A is not entitled to benefit from the policy. The provision of inaccurate information on its own does not establish that the claim is fraudulent. And even if false information is provided to aid an insurance claim, it would only be fraud if the claim was not otherwise valid. So, if Mr A owned the phone and lost it in the way he claims, then he has a valid claim, regardless of any inaccurate or false information about other matters.

I therefore agree with the Investigator that Assurant should reconsider the claim subject to the remaining terms of the policy.

In order to manage Mr A's expectations, this does not necessarily mean the claim will be met. I am asking Assurant to reassess the claim, which would include considering the further evidence Mr A has provided, as well as the original proof of purchase and other evidence provided, in order to properly consider the claim against the policy terms.

Mr A has provided a copy of an agreement he and his brother have signed for the rental of a phone at £35 per day. It has not yet been established that the claim should have been met by Assurant in any event, so it has not been established that any consequences of not have his insured phone is a result of anything done wrong by Assurant. In addition, even if the claim should have been met and, even if there were proof that Mr A was paying this amount to his brother (which there isn't), I do not consider Assurant can reasonably be required to pay this cost. While a claimant can generally expect recovery of financial loss that arises directly from any wrongdoing, there is a general duty to mitigate any loss. Mr A could have arranged use of another phone at a more reasonable rate, or replaced his phone for considerably less than this. I do not therefore intend to make any award for this.

I agree with the Investigator that some compensation might be warranted for the trouble being without his phone and the rejection of his claim might have caused Mr A. However, I do not think I can properly assess if any compensation for this is due at this time. If after assessing the claim, it is decided the claim should have been met, then whether any compensation should be paid can be assessed."

## **Responses to my provisional decision**

I invited both parties to respond to my provisional decision with any further evidence or information they want considered.

Mr A does not accept my provisional decision. He has made a number of points in response. I have considered everything he has said but have summarised his main points below:

- Assurant was provided with evidence from his bank confirming that his statements are genuine, and have not been modified in any way. Despite this, his claim was still questioned. As this concern has already been addressed with verified proof, there is no reasonable basis for Assurant to continue disputing the validity of his claim.
- Being without his phone has caused him significant disruption. The financial impact of this should be recognised and properly compensated.
- His insured phone was very expensive (£1,800) and purchasing a replacement outright was not financially viable.
- As a direct result of Assurant's mishandling of my claim, he had no choice but to rent a phone from his brother at a daily cost of £35.
- Short-term rentals are inherently costly and given the circumstances, this was the only practical solution available to him at the time
- This rental cost is a direct and foreseeable consequence of Assurant's conduct, and therefore he is entitled to compensation for this loss.
- The Consumer Rights Act 2015 and relevant claims-handling rules state that terms in insurance contracts must be applied fairly. Assurant's refusal to consider his rental costs as a consequential loss could be viewed as an unfair application of the policy terms, which is in breach of these regulations.

- The Financial Conduct Authority's ("FCA") Principles for Businesses (PRIN 6 and 7) state that insurers must treat customers fairly and communicate in a way that is clear, fair, and not misleading. The manner in which Assurant handled this claim has caused him unnecessary financial and emotional distress, and this should be recognised.
- Under FCA DISP 1.4.1R, an insurer is required to assess all evidence fairly. Given that Assurant had already been provided with verification from his bank proving my documents were genuine, its handling of my claim breached this requirement, resulting in avoidable financial hardship.

Mr A says that as verified evidence had already been provided, Assurant should fully and fairly reassess his claim, ensuring that all verified evidence is properly considered; his financial losses due to the phone rental be compensated as a direct and foreseeable consequence of Assurant's handling of his claim; and that reasonable compensation be awarded for the stress, inconvenience, and financial detriment caused by the improper rejection of his claim, in line with FCA regulations and contract law principles.

Assurant has also responded to my provisional decision. It accepts that it should reassess the claim and says that it will need some further information from Mr A in order to do so.

### **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.

Mr A says his claim should now be met, as he says he has verified the bank details that Assurant was concerned about.

As stated in my provisional decision, in order to successfully claim under the policy, it is for Mr A to establish that it is more likely than not that he owned and possessed the phone for which he is claiming, as well as that he suffered a loss covered by the policy. Assurant has not yet fully assessed these aspects of the claim. I provisionally determined that it should do so. As part of that reassessment, I would also expect it to consider the further evidence Mr A provided about his bank details.

Given there is evidence that Assurant is entitled to consider, it remains my opinion that on the current evidence, Assurant cannot be reasonably required to meet the claim, but it should reassess it. This would include considering the further evidence Mr A has provided, as well as the original proof of purchase and other evidence it may consider necessary, in order to properly consider the claim against the policy terms.

Mr A has said again that he should be reimbursed the £35 per day he says he has been paying his brother to rent a phone from him, while this claim has been pending.

Again, as stated in my provisional decision, there is no evidence I have seen that Mr A has actually paid his brother this amount. But, even if there were, it has not yet been established that the claim should have been met by Assurant in any event, so it has not been established that any consequences of not have his insured phone is a result of anything done wrong by Assurant.

I still also think it likely that Mr A could have arranged use of another phone at a more reasonable rate, or replaced his phone for considerably less than this. I do not therefore intend to make any award for this.

I also remain of the opinion that I cannot properly assess if any compensation is due at this time. If after assessing the claim, it is decided the claim should have been met, then whether any compensation should be paid, or any reasonable financial loss should be reimbursed, can be assessed then.

### **My final decision**

I uphold this complaint against Assurant General Insurance Limited and require it to reassess Mr A's claim, subject to any remaining policy terms.

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

Harriet McCarthy  
**Ombudsman**