DRN-5478630

The complaint

Mr A complains about how Assurant General Insurance Limited settled his mobile phone insurance claim.

What happened

Mr A has mobile phone insurance through his bank account. He complains that when he claimed for a damaged mobile phone Assurant sent him a phone with SIM restrictions making it incompatible with phone networks outside the EMEA (Europe, the Middle East and Africa) region. He says his original phone wasn't SIM locked so Assurant's replacement phone didn't meet the same functionality as his original phone and is 'defective'. He says that's unacceptable as he pays £17 a month for the policy and paid a claim excess fee.

Mr A wants Assurant to remove the SIM lock from his mobile phone, or provide a replacement phone that is fully SIM unlocked to worldwide phone networks, or pay him a cash settlement equivalent to his original phone and refund the excess fee. He also said he'd given the phone as a gift to his relatives in a named country (which may be outside the EMEA region) who were disappointed the phone didn't work and complained to him which caused him significant distress and embarrassment.

Assurant said the phone had passed all its quality checks and there was no fault with the phone when sent to Mr A.

During our investigation both parties provided further evidence. Mr A added:

- His mother lives in the named country abroad (which may be outside the EMEA region) and he needs to travel there about every four months to visit her. Having a SIM unlocked phone that can be used in that country is essential for his communication during those trips.
- The policy doesn't say a replacement phone may be SIM locked that couldn't be used on worldwide phone networks.
- He'd contacted the phone's manufacturer who told him it didn't SIM lock phones and the 'carrier' or insurer should unlock the phone.

Assurant added:

- It bought Mr A's replacement phone directly from the phone manufacturer. In line with Ofcom's (the regulator for the communications services) 2020 rules the phone needs to be able to be used on any UK network. Mr A's phone can be used on any UK network within the EMEA region.
- Mr A has provided screenshots to show he is trying to use a SIM from the named country which is outside the EMEA region which would use different radio frequencies. If Mr A or his relative who appears to have now taken ownership of the phone needs the SIM lock removed they need to contact the network provider to do so.

- It had told Mr A the phone is locked to the EMEA market and the phone not supporting a SIM from the named country wasn't a fault with the phone so it wouldn't review that matter under its warranty.

- It was a UK based insurance company and so provided replacement mobile phones that are unlocked to be used with any UK network. It couldn't guarantee that replacement phones it provided could be used with worldwide SIM cards.

Our Investigator said Assurant had acted fairly when replacing Mr A's phone.

Mr A disagrees and wants an Ombudsman's decision. He said Assurant provided the replacement phone under the policy and it was responsible for ensuring that phone's functions were the same as his original phone.

Before I made my decision our Investigator asked, on my behalf, for Mr A to provide evidence to show:

- His original phone being SIM unlocked for use outside the EMEA region wasn't a modification to the phone.

- His request for the network provider to remove the SIM lock and the network provider's response. If the network was unable to what specific reason they provided.

- That he regularly travelled outside of the EMEA region where his phone wouldn't work.

- Where's the replacement phone now.

Mr A didn't respond by the response date we gave him. We told him I would make my decision based on the information I had.

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 hasn't responded to my requests for the evidence I've detailed above by the given response date, or by this later date of my decision. I've told him I'll make my decision based on the available evidence. I think it's reasonable for me to now make my final decision.

The policy says that if Assurant needs to provide Mr A with a replacement phone the following will apply:

> *'This is not 'new for old' insurance, and replacement phones will come from fully refurbished stock (not brand new). Before we send any phones to settle a claim, we undertake a comprehensive checking process to ensure they are in full working order. All phones will come with a 1-year warranty.*
> *We will provide you with a mobile phone of the same make, model and memory size, if we cannot do this you will be given a choice of models with an equivalent specification.*
> *We will try to provide one of the same colour but cannot guarantee this'.*

Assurant says it's fulfilled those policy terms with the replacement phone it provided to Mr A.

I've carefully considered whether Assurant can reasonably say the replacement phone was of 'equivalent specification' if Mr A's original phone was SIM unlocked to worldwide networks and the replacement phone wasn't SIM unlocked. Generally I consider whether the replacement phone has the same key specifications or functionality as the phone the consumer had before and the policy has exclusions that I need to take into account.

One exclusion under the 'What you are not covered for' policy section says:

> *'If your mobile phone has been modified in any way, we will not cover the modifications that have been made.*
> *Modifications are anything that changes the way your mobile phone looks or operates from the original specifications. This includes things like adding gems, precious metals or making software changes such as unlocking it from a network'.*

I asked Mr A to provide evidence that his original phone being SIM unlocked for use outside the EMEA region wasn't a modification to the phone. Mr A hasn't provided that evidence. If the SIM unlock was a modification to his original phone then the policy specifically excludes the need for Assurant to match that functionality of the phone.

Even if Mr A's original phone hadn't been modified to be SIM unlocked to worldwide networks if there's a relatively straightforward and cost free way for a consumer to overcome an issue with their replacement phone I don't think it's unreasonable to expect them to do that. Assurant and the phone manufacturer told Mr A he could contact the network provider to remove the SIM lock. I've looked on line and the general advice seemed to be that unlocking through the phone network provider would enable him to use the phone outside of the EMEA area, as he said he needed to do. I asked Mr A for evidence that he'd contacted the network provider to remove the SIM lock and for the network provider's response. Mr A hasn't provided that evidence.

I don't think the ability to use the mobile phone outside of the EMEA area would be a key function for most people but if a consumer had evidenced a particular need for that I may consider differently. I asked Mr A to provide evidence that he regularly travelled outside of the EMEA region where the phone wouldn't work. Mr A hasn't provided that evidence.

On the evidence I have I think Assurant reasonably settled Mr A's claim with the replacement phone it provided. There's no basis for me to say Assurant must unlock the SIM to worldwide networks, nor replace his phone nor give him an alternative cash settlement nor refund the excess fee. There's also no basis on which I can say Assurant needs to pay Mr A any compensation.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 October 2025.

Nicola Sisk
Ombudsman