

The complaint

Miss R has complained that Chubb European Group SE cancelled her mobile phone insurance, despite its operatives telling her that the policy would continue.

What happened

When Miss R started her mobile phone insurance policy in 2017, it was provided by her mobile phone network provider with full AppleCare services.

The Insurance Product Information Document (IPID) which should have been given to Miss R by her network provider states the policy lasts for 60 months as in five years. The policy appears to be underwritten by Chubb and appears to be administered by the network provider.

Miss R said her phone plan switched in 2019, 2021 and again in 2024. At each switch Miss R said she was told her policy would switch as well and carry on. Crucially Miss R said she was told this in 2024. When trying to sort that out with her network provider on the phone, Miss R said she received a text on 1 March 2024 saying her policy was cancelled. The network provider promised Miss R her policy would switch, but this never happened.

Miss R has complained of persistent, inaccurate, inconsistent, and contradictory information both verbally over the phone and in writing from her network provider concerning this policy. And indeed, its complaint handling process also. Miss R said her refund of premium wrongly taken after the policy cancelled wasn't calculated incorrectly. Although her network provider provided Miss R with £100 compensation, Miss R considers this is too low given the trouble and upset she was put to, in trying to understand what had happened and why her policy was cancelled.

Miss R also detailed the further trouble and upset she encountered when Chubb attempted to pay her its refund as it then caused trouble with her plan's payment amount which Miss R had to sort out additionally.

On this basis Miss R brought her complaint to us. Initially Chubb didn't forward us all the information required, to include the full policy and any details of Miss R receiving the policy documentation. Therefore, the investigator provided a limited view upholding Miss R's complaint. He was of the view that the refund of premium had been miscalculated so Chubb should refund Miss R a further £21.05 plus interest. And he felt the compensation payment should be raised to a total of £150. Ultimately Chubb agreed this, but Miss R didn't. She felt given the trouble and time she had to spend getting to the bottom of things given her network provider's ineptitude over the years, along with the issues with its refund to her, the compensation payment should be increased to £1,500.

So, Miss R's complaint was passed to me to decide.

I issued a provisional decision on 30 April 2025, and I said the following:

'There's no doubt Miss R's customer journey around the time of March 2024 was both excessively confusing for her and excessively frustrating. However, a distinction has to be drawn between Chubb who has provided the mobile phone insurance and its delegated authority to Miss R's network provider, who obviously sold and administered the policy. The network provider is also the entity who dealt with the varying mobile phone plans and payments for the same which is not something for which Chubb would be responsible. As this complaint is rightly set up against Chubb as the policy provider, given the cancellation issue, I can't hold it liable on the basis of the present information available for all failings of Miss R's network provider which Miss R has said spanned all the years since 2017. I'm afraid it's not clear to me on the evidence provided that Chubb would be responsible for all of this, but it's certainly responsible for the issues it detailed in the final response letter and the issues following the refund and the confusion consequently over her plan payments. That is what I shall now discuss below.

Policy expiry at 60 months/five years.

Miss R was obviously aware she had bought mobile phone insurance and knew a premium was being paid for it. I can see in Chubb's complaint notes that she said she had the policy documents, and the adviser told her to send in a copy of them. Miss R's own account shows that she sent in a copy of her policy documents on 27 March 2024.

Chubb has provided its IPID to us but failed to produce the policy document. The IPID clearly identifies that cover under this policy expires after 60 months. This is very common with mobile phone policies, so I don't find it unusual.

Generally, we are encouraged to keep our important data backed up, plus phones themselves are constantly being updated by newer models and so parts become less available. Further as the phone itself ages, it becomes increasingly less valuable, so the cost of the policy isn't commensurate to the value of the phone. So, I don't consider there is anything wrong with limiting a mobile phone policy to 60 months or five years. More so as I can clearly see that this is detailed fully in the IPID, so I consider Miss R was informed of the policy expiry issue. Notwithstanding the policy continued beyond 2017, which then wouldn't have provided any cover to Miss R if she had needed to make a claim.

Chubb acknowledges that Miss R's policy should have expired in 2022. It therefore said it would refund the premium she paid from 15 July 2022. It calculated this at £246.40 and added 8% interest on this of £19.71. Miss R has shown us that it didn't calculate this refund properly and that a further £21.05 plus interest on that, is still outstanding. Like the investigator I agree with these calculations. And since Chubb has now agreed with the investigator's view it has also agreed it needs to refund this further amount.

Compensation

Miss R has said that the compensation initially paid by Chubb of £100 was too low. Further she didn't think the further amount suggested by the investigator of £50 to be adequate either.

She feels the trouble and upset she was caused in raising her complaint, explaining the refund of premium for the time since July 2022 was incorrect warrants a much greater compensation payment given the seriousness of the matter. She further details that when the refund payment was being processed following the final response letter, it was less her plan amount of £23.20 which had to be corrected as

that amount was anyway taken from her account too. This caused further trouble and upset in trying to get that sorted out. And lastly, she [said she] was threatened with the fact that if she accepted the refund plus the compensation, she would be deemed to have agreed the settlement so precluded from raising it with us and getting it changed.

I have to agree that Miss R was indeed put to some considerable trouble and upset over the misinformation about her policy transferring onto her new plan in 2024. And then it seems she was put to further trouble when the refund and compensation offered by Chubb was being paid to her by her network provider who was also taking payment for her new plan which started in 2024 too.

It was obviously wrong to threaten Miss R saying that when it paid the refund and the compensation, that she would be deemed to have agreed it, as that is not the situation at all. Such payments under final response letters giving referral rights to this service are fully permitted to be essentially payments on account until the matter is adjudicated by this service.

So, I don't consider the compensation payment of £150 is sufficient. However, I also don't agree it should be as high as £1,500 as Miss R said. That would be disproportionately punitive, and I'm not authorised to fine or punish businesses when things go wrong. Compensation payments are solely to do with the trouble and upset the business caused the consumer so can't be used to teach lessons about the failures experienced. Furthermore, as this complaint is set up against Chubb, not everything that occurred to Miss R was occasioned by Chubb or this policy either.

Our website details our approach to compensation fully. For issues that have gone on for a few weeks we generally tend to award £100 to £300 compensation. I consider the issues Miss R faced fall into this bracket. I can see how frustrating they were, I can see the number of emails and phone calls Miss R had to make too. So, I consider a fair and reasonable amount of compensation here would be £300. This is in line with our approach, plus it's in line with the effect of the mistakes on Miss R considering the refund proposed was of a lower amount than what was due. I also consider it covers the further mistakes made in paying it plus the distress of being told she was accepting the settlement if it was paid to her.'

Chubb agreed with the outcome as detailed in my provisional decision and wanted to know if it should approach Miss R for her details to enable the further payments or if we would provide those details. It had a problem with the language used in the provisional decision about Miss R's testimony about being threatened that if she accepted the refund and compensation then offered, she would be deemed to have accepted the settlement and then couldn't take her complaint to this service. It wanted me to remove that part of the provisional decision.

Miss R didn't think the compensation I was intending to award was sufficient. She thought £750 was more appropriate. She also wanted to know if interest was awarded on the compensation. She also thought Chubb would have been responsible for all of what the network providers did.

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 again, I remain of the view that the reasoning and outcome as detailed in

the provisional decision is the fair and reasonable outcome of this complaint.

As regards Miss R's wish for the compensation to be increased to £750, I don't consider this is appropriate here as I consider awarding compensation that high still indicates a form of 'punishment' against Chubb for getting things wrong rather than compensating Miss R for the trouble and upset she suffered. Obviously awarding compensation is not an exact science but given everything Miss R went through; I remain of the view that £300 is more appropriate. Also, we don't award interest on compensation either, interest is awarded when the consumer has suffered an identifiable monetary loss which they should not have suffered.

As regards the extent of Chubb's responsibility, I have detailed the limits of this in the provisional decision. It remains that part of what any network provider might do is not covered by the ambit of the policy terms of the insurance policy.

As regards Chubb's issue with the wording of the provisional decision, I'm afraid I can't take such specific direction from either party as to how I word any decision as that would compromise my integrity and independence which is essential in carrying out my role. Further in this case, the issue giving rise to this wording is actually Miss R's own testimony, which I have now made clear above. Therefore, in the particular circumstances of this complaint, I consider it's appropriate to leave it in, as it is Miss R's account of what happened.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Chubb European Group SE to do the following:

- Ensure its previous refund to Miss R is not reduced by her payment plan amounts so that it is paid in addition to her plan payments.
- Refund Miss R a further £21.05. Adding interest of 8% simple per year from the date it took this amount in error from Miss R to the date it refunds her. If income tax is to be deducted from the interest, appropriate documentation should be provided to Miss R for HMRC purposes.
- Pay Miss R an additional £200 to the £100 compensation it paid ensuring the total she receives is £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 26 June 2025.

Rona Doyle
Ombudsman