

## **The complaint**

Mrs L has complained that when she went to claim on the mobile phone insurance provided by her packaged bank account, she was unable to as Bank of Scotland plc (“Halifax”) had failed to inform the insurer that Mrs L was covered by the policy.

## **What happened**

Mrs L went to claim on her Ultimate Reward Current Account (“URCA”) mobile phone insurance policy for a damaged mobile phone, but the insurer didn’t accept the claim. The insurer told Mrs L that her cover had been cancelled in July 2023.

Unhappy with this, Mrs L complained to Halifax on 7 March 2025. Halifax looked into Mrs L’s concerns and issued its final response letter on 13 March 2025, upholding the complaint. In summary Halifax acknowledged that, due to a communication failure, the insurer didn’t have Mrs L’s cover registered on their systems. Halifax confirmed that the error had been rectified so that Mrs L’s claim could be considered by the insurer. To apologise for the delay and inconvenience caused to Mrs L’s insurance claim, Halifax paid Mrs L £150 compensation.

After Mrs L referred her complaint to this service, one of our investigators assessed the complaint and they concluded that what Halifax had already done to put matters right was fair. So they didn’t think that Halifax needed to do anything else to put matters right.

As Mrs L disagreed with the investigator, the matter was referred for an ombudsman’s decision.

## **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 reviewed everything, I don’t uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

Firstly, it is not in doubt that Halifax made an error here. Mrs L has held and been paying for the URCA for a number of years. So, when Mrs L went to make a claim, she should’ve been able to do so immediately. Therefore, all that is left for me to decide is whether Halifax needs to do anything further to put things right.

Mrs L raised her complaint on 7 March 2025. And Halifax responded to the complaint on 13 March 2025 and said that it’d rectified matters and confirmed that the insurer was aware that Mrs L should be covered by the policy.

I recognise that it would’ve been frustrating for Mrs L being told she wasn’t covered when she knew she was. And I recognise that being without a working mobile phone causes a fair amount of inconvenience. But I think that Halifax was able to rectify matters reasonably quickly for Mrs L. And so, when weighing everything up, and taking into account the delay in Mrs L being able to make her mobile phone insurance claim, I think that £150 is a reasonable amount of compensation based on what happened and the time scales involved.

I understand that the main reason why Mrs L has not agreed with either Halifax's response to her complaint or the investigator's conclusions, is that she wants her URCA fees to be refunded back to July 2023 i.e. when the mobile phone insurer no longer had Mrs L as a policyholder.

However, in the circumstances I don't think that is fair. I say that because firstly, the monthly URCA fees are not just for the mobile phone insurance, but also for a number of other benefits included with the account. And as far as I'm aware, Mrs L should've been able to make use of any of those benefits in that time, as she was an eligible account holder.

Also, Mrs L says she has not been covered since 2023 and therefore says she should receive a refund of the monthly account fees. But as far as I see things, Mrs L *has been* covered since 2023. It's just the case that, due to an administrative error, the insurer was unaware that Mrs L was an eligible policyholder.

Mrs L has questioned what would've happened had she needed to claim on one of the benefits prior to March 2025. But based on what did happen in March 2025, I'm satisfied that she would've been covered (for any valid insured events) had she needed to claim – albeit she may've experienced a similar delay whilst Halifax updated its records with the relevant benefit provider(s).

As such, although the mobile phone insurer was initially unaware that Mrs L was covered by the URCA policy, as soon as Halifax made the insurer aware that Mrs L was an eligible policyholder, the insurer was then willing to consider a claim from her. So, I'm satisfied that Mrs L has had the benefit of the mobile phone insurance (alongside all of the other URCA benefits) since July 2023. Because of this I don't think it would be fair or appropriate to say that she should receive a refund of the monthly URCA fees she has paid since July 2023.

So overall, whilst it's clear that an error has occurred, I think Halifax took reasonable steps, in a timely manner, to put things right for Mrs L. And I think it paid a reasonable amount of compensation for the delay caused to Mrs L's claim, whilst the insurer's records were updated. As such, I don't think that Halifax needs to do anything further to put matters right here.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 1 July 2025.

Thomas White  
**Ombudsman**