

## The complaint

Mrs E has complained about how Aviva Insurance Limited (Aviva) dealt with a claim under her mobile phone insurance.

References to Aviva include companies acting on its behalf.

## What happened

Mrs E contacted Aviva to make a claim for damage to her mobile phone. When Aviva received the phone, it assessed it and decided it couldn't be repaired. It told Mrs E it would replace the phone, but she needed to pay an additional excess for this.

Mrs E complained. When Aviva replied, it said the phone was beyond economic repair and it was unable to be successfully repaired. It said this was due to the damage. It said the additional excess was payable with all successful claims. It said it couldn't refund the excess already paid because a repair attempt had been made on the phone.

Mrs E complained again. She said Aviva hadn't repaired the phone but she had been able to arrange a repair herself. When Aviva replied, it said the phone was "*irreparable*" and it couldn't comment on third party repairers. It said it had offered to replace the phone for an additional fee, which Mrs E had declined. It had then agreed to return the phone. It accepted there had been a delay in returning it, for which it offered £25 compensation. It also said it would return the excess as no work had been carried out on the phone.

When Mrs E complained to this Service, our Investigator upheld the complaint. He said Aviva had found that the phone was beyond economic repair. So, it was reasonable it didn't repair it. However, he said there were delays in Aviva returning the phone and refunding the excess. So, he said Aviva should pay a total of £75 compensation.

As Mrs E didn't agree this was fair to address the delays. She also said the policy didn't properly explain when a repair would be attempted. So, the complaint was referred to me.

I issued my provisional decision on 12 May 2025. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

*I note that when Aviva responded to Mrs E's complaints, it described the phone as "beyond economic repair", which I would generally take to mean that it would cost more to repair the phone than it was worth. It also described the phone as "beyond repair", which I would generally take to mean that it wasn't possible to repair the phone at all, regardless of cost. So, I think Aviva's responses were confusing and inconsistent.*

*Aviva has confirmed to this Service that the phone was beyond economic repair because of the range of damage found to the phone. It has said the cost of repairing the phone was higher than the cost of replacing the entire phone. This was because of the number of parts that needed to be replaced. But, I think this indicated it was possible to repair the phone.*

*The policy terms and conditions said:*

*“Accidental Damage and Breakdown claims. If Your Mobile Phone is Damaged or experiences Breakdown, [Aviva] will repair the Mobile Phone wherever possible or replace the Mobile Phone.”*

*In the first year of the policy, the excess payable for a repair was £79. Where the phone couldn't be repaired, the excess was £149 for it to be replaced.*

*So, I note the policy said it would carry out a repair “wherever possible”. I didn't find any reference in the policy to Aviva not carrying out a repair where a phone was assessed as beyond economic repair. I'm also mindful that whether a phone was repaired or replaced had a cost implication in terms of the excess payable. So, I can understand Mrs E was concerned that she didn't think the policy terms were clear enough about when a repair would be attempted. Based on the terms and conditions, I think Aviva should have repaired the phone under the policy. From what I've seen, it was possible to repair the phone and the policy said it would do so “wherever possible”.*

*Aviva refunded the £79 excess Mrs E had paid and returned the phone to her. Mrs E was then able to get her phone repaired. This cost her £120. I'm aware I don't know the quality or extent of that repair. But, if Aviva had repaired the phone, it would have cost Mrs E £79. So, Mrs E paid an additional £41 for her phone to be repaired. As a result, I currently intend to say Aviva should pay Mrs E £41 so that the repair cost to her was £79. It should also pay interest on that amount because Mrs E lost use of the money.*

*I've also thought about compensation. I think Aviva provided confusing and contradictory information to Mrs E, describing her phone as both beyond economic repair and beyond repair. I think the terms and conditions were also unclear and that it should have repaired the phone. So, Mrs E was caused inconvenience by having to arrange the repair herself. Aviva has also accepted there were delays in it dealing with the claim. I'm also aware Mrs E has said the delays affected her business because she needed her phone. So, having thought about this, I currently intend to say Aviva should pay Mrs E a total of £100 compensation, which includes the £25 it previously offered. I think this fairly reflects the impact on Mrs E because of how Aviva dealt with the claim and is in line with what I would expect to be paid in similar circumstances.*

*I'm aware Mrs E also wanted Aviva to take action to prevent issues like this happening in the future, along with changes to the policy wording. However, my decision is only about what happened during Mrs E's claim and I'm unable to require Aviva to take this action.*

*I asked both parties to send me any more information or evidence they wanted me to look at by 26 May 2025. Mrs E didn't reply. Aviva replied and accepted my provisional decision but asked for clarity about the date on which Mrs E paid for the phone repair so it could calculate the interest payable.*

### **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 uphold this complaint and for the reasons given in my provisional decision. When Aviva responded to my provisional decision, it requested the date on which Mrs E paid for the repair. Given the interest is to cover the period for which Mrs E lost use of the money*

she paid for the repair, I think it's reasonable that Aviva has requested this information, which is for Mrs E to provide it with.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Aviva Insurance Limited to:

- Pay Mrs E £41 towards the cost of the repair.
- Pay 8% simple interest on that amount from the date on which Mrs E made the payment to the date on which it refunds it, subject to Mrs E providing it with suitable evidence of the date.
- Pay Mrs E £100 compensation, which includes the £25 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 30 June 2025.

Louise O'Sullivan  
**Ombudsman**