

The complaint

Mr R has complained that Chubb European Group SE unreasonably refused to pay his claim under his purchase protection and refund protection policy provided via his credit card which is underwritten by Chubb

What happened

Mr R bought a computer monitor from a well-known high street brand online through its clearance type store on 15 November 2024. On 28 November he accidentally damaged it and submitted a purchase protection claim to Chubb.

Chubb decided the monitor was pre-owned which is excluded in the policy, so it refused to deal with Mr R's claim.

Mr R provided evidence from the high street brand to say that they couldn't confirm if it was pre-owned, but it also could have been end of line stock, ex-display or a customer return. Mr R was also able to register the monitor with the warranty provider, and he could have only done that if it wasn't pre-owned.

As Chubb wouldn't change its stance Mr R brought his complaint to us. As he had now replaced the monitor, the investigator thought his complaint should be upheld with Chubb paying the claim by reimbursing the cost of his original monitor and adding interest from one month after he made his claim. She also thought it should pay Mr R £100 compensation for the trouble and upset Chubb had caused him.

Chubb didn't respond to the final view of the investigator, so Mr R's complaint has been passed to me to decide.

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'm upholding this complaint along the same lines as the investigator. I'll now explain why.

The policy says the following:

'1. PURCHASE PROTECTION AND REFUND PROTECTION

This Section details the Purchase Protection and Refund Protection benefits provided with the Card. Purchase Protection and Refund Protection insurance cover is provided when eligible items are purchased on the Card Account by the Cardmember or Supplementary Cardmembers.

1.1 PURCHASE PROTECTION

YOUR BENEFITS

This benefit applies to items purchased on the Card Account for personal use that have had no previous owner and were not purchased privately.

If an item You buy is stolen or damaged within 90 days of purchase, You will be paid:

- a. the costs of repair or replacement of an item up to a maximum of the purchase price or £2,500 whichever is the lower. The purchase price will be the cost of a pair or set of items if they are used together and cannot be replaced individually;*
- b. up to a maximum of £2,500 for any one incident;*
- c. up to a maximum of £20,000 in any 12 month period.'*

Under the exclusions listed in the policy it doesn't say 'second hand items' are specifically excluded. Therefore, the policy document merely relies on the wording above of '*this benefit applies to items purchased on the Card Account for personal use that have had no previous owner*'. In the Insurance Product Information Document (IPID) it does say 'second hand items' are not insured which doesn't precisely mirror the policy document wording.

Chubb has had difficulty in responding to the investigator in this case as initially it didn't provide its file and then later it failed to respond to the final view issued by the investigator. So, it has been a challenge to have any meaningful dialogue with it over Mr R's claim. In one of its letters, it told Mr R that he had bought a pre-owned mobile phone, instead of a monitor so the author of that letter obviously wasn't appraised of the contents of Mr R's claim and clearly was jumping to incorrect assumptions.

Given the evidence from Mr R's supplier, his monitor had the same chance of being pre-owned as it had of being an end of line clearance item or an ex-display item. Therefore, I don't consider it reasonable for Chubb just to decide it was pre-owned thereby making its decision simply advantageous to it, instead of Mr R. The fact is we don't know and neither does the supplier. Therefore, considering Mr R is paying for this cover through his credit card, I consider it's fairer and more reasonable to decide his monitor could well have been ex-display or indeed end of line instead of it having to be pre-owned.

I am also persuaded that Mr R was able to register the monitor using its serial number with the warranty provider. Obviously if the monitor had been pre-owned and previously registered with the warranty provider then the warranty provider would have raised it with Mr R.

I am not persuaded by Chubb's contention that the item as listed on the supplier website would have always been a 'grade C' item and therefore always pre-owned. As this contradicts the contents of Mr R's online chat with the supplier, which clearly says it also could have been ex-display or end of line too. So, I consider Chubb made an incorrect assumption here, also.

Consequently, I don't think the evidence is clear enough, to reasonably assume that the monitor bought by Mr R, had to have been pre-owned. There is also no direct evidence that it was pre-owned. Instead, there are two further possibilities – namely that it was ex-display or end of line clearance. So, I consider it's more equitable and fairer to decide the matter in Mr R's favour.

The monitor Mr R bought which is the subject matter of this claim cost him £824.25. He replaced it on 28 November 2024 for £1,058.99, the day the original one was damaged.

Therefore, I consider that Chubb should refund Mr R as per the policy terms for the original purchase price of £824.25. Mr R made his claim to Chubb on 28 November 2024. I think it's reasonable to allow Chubb a period of one month to consider his claim. Therefore, I consider Chubb should add interest of 8% simple from 28 December 2024 to the date it refunds him.

I also consider Chubb's manner in dealing with Mr R's claim, to include at one point in its letter to him of 17 December 2024, when it decided he had bought a mobile phone instead of a computer monitor, caused Mr R some unnecessary trouble and upset. So, I agree with the investigator's suggestion that Chubb should pay him compensation in the sum of £100. This figure is in line with our established approach to compensation which is more fully detailed on our website.

My final decision

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

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

- Pay Mr R's claim and refund him the sum of £824.25, adding interest of 8% simple from 28 December 2024 to the date of its refund. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr R for HMRC purposes.
- Pay Mr R the sum of £100 compensation for the trouble and upset it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 September 2025.

Rona Doyle
Ombudsman