

The complaint

Mr W is unhappy with how Telefonica Seguros y Reaseguros Compania Aseguradora S.A.U. (Telefonica) has dealt with gadget insurance claim.

What happened

Mr W has a gadget insurance policy with Telefonica, who is also the underwriter.

Mr W insured his Apple Watch on the policy. He contacted Telefonica on 5 March 2025 to submit a claim as his watch was damaged. The claim was accepted and Telefonica sent a replacement watch. Mr W was unhappy with the replacement he received and returned it back with the courier who delivered the replacement watch.

Mr W said the replacement watch was a different colour to the one he had and it came with scratches. He asked Telefonica to send him a watch the same colour as his and a brand new one.

Mr W made a complaint to Telefonica. It responded and said it sent a replacement watch in line with the policy terms and conditions which states that it will replace the device with a product of the same or similar specification. Telefonica confirmed the replacement might be a different colour or model from a different manufacturer. And that it could still send a replacement watch as per the terms and conditions of the policy and the policy excess of £40.00 will be applied. The replacement will be refurbished, not new and the colour might be different.

Unhappy Mr W brought his complaint to this service. Our investigator didn't uphold the complaint. He didn't the claim had been unfairly dealt with.

Mr W disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me to make a final 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.

At the outset, I understand that this issue has caused Mr W frustration. I appreciate that he would like Telefonica to replace his watch and provide one that is brand new and the same colour.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly. I've taken these rules into account when looking at this complaint.

I've started by looking at the relevant policy terms and conditions. Page 7, Section A sets out details of the cover for accidental loss, theft or damage. This states:

'If your equipment is accidentally lost, stolen, or damaged anywhere in the world during the term of cover, we will at our discretion either:

- a.*
- b. Replace your equipment with a product of the same or a similar specification, as determined by us. Replacement equipment might be a different colour or model from a different manufacturer. It may be new, re-furbished, re-manufactured or re-packaged by a repair centre approved by us. Replacement devices will only be delivered to a UK address*
- c.'*

The above sets out the cover that's available on the policy. It's not in dispute that Telefonica has accepted Mr W's claim and in line with the policy sent out a replacement. I think this is fair and reasonable in the circumstances.

I fully appreciate Mr W strength of feeling that he should have been sent a new watch that was the same colour as the damaged watch. This isn't how the policy works, however. Telefonica has clearly set out that the watch might be refurbished and might be a different colour, so I don't think it's acted unfairly.

Mr W says the watch he received had scratches and has provided photographs of this. Telefonica says the watch was in a reasonable condition. It has nevertheless attempted to contact Mr W so another watch can be sent to him in line with the policy. But it seems Mr W hasn't got back in touch with Telefonica to arrange this.

Given that Telefonica has accepted the claim and has offered to send a further replacement subject to the policy terms and conditions and that it'll do its best to send the colour Mr W has requested, I think that's fair. But it must be noted that this is also dependent of the colour being available and in stock.

Overall, taking everything into account, I don't think Telefonica has treated Mr W unfairly or outside the policy terms and conditions. It's up to Mr W to contact Telefonica directly if he wishes for another replacement watch to be sent. It follows therefore that I don't require Telefonica to do anything further.

My final decision

For the reasons given above, I don't uphold Mr W's complaint about Telefonica Seguros y Reaseguros Compania Aseguradora S.A.U.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 December 2025.

Nimisha Radia
Ombudsman