DRN-5776153

The complaint

Mr A has complained that Helvetia Global Solutions Ltd (Helvetia) dealt with a claim under his mobile phone insurance policy.

References to Helvetia include companies acting on its behalf.

What happened

Mr A made a claim for damage to his mobile phone. Helvetia assessed the phone and initially said it could replace it. However, it was unable to source a suitable replacement phone. So, it said it would pay a cash settlement based on the market value of a replacement device. Mr A was concerned with the amount he was offered as a settlement. He said he couldn't find a suitable replacement for that price. Following further discussion, Helvetia increased its cash settlement offer and paid this to Mr A.

Mr A complained about how Helvetia settled the claim. When Helvetia replied, it didn't uphold the complaint. It said it had settled the claim in line with the terms and conditions of the policy. Due to the age of the phone, it had been unable to secure an exact replacement. So, it decided a cash settlement was the most efficient way to settle the claim. The policy said the replacement device might be reconditioned. It also said an excess was payable, which it was unable to waive.

When Mr A brought his complaint to this Service, our Investigator didn't uphold it. The policy explained that a replacement device could be refurbished. Mr A was concerned that the phone he then bought had poor battery health. However, there was nothing to show expectations had been set around this. The cash settlement offer was reasonable in the circumstances and put Mr A back in the position he was in before the loss.

As Mr A disagreed, the complaint was referred to me.

I issued my provisional decision on 11 August 2025. In my provisional decision, I explained the reasons why I wasn't planning to uphold the complaint. I said:

"My decision is about how Helvetia dealt with the claim and complaint. I'm aware Mr A has said that had he known Helvetia couldn't replace the phone, he wouldn't have taken out the policy in the first place. Helvetia didn't sell Mr A the policy. Mr A would need to raise those concerns with the company that sold it to him. I am unable to consider this as part of my decision.

I've looked at how Helvetia said it would settle claims. The policy booklet said it would repair or replace a phone in the event of accidental damage. When Helvetia assessed the phone, it decided it couldn't repair it. So, it said it would replace it. Where it decided a phone would be replaced, the policy booklet said: "Please note that replacement mobile phones may be from refurbished stock". It also said:

"Where we replace the mobile phone the replacement may be a remanufactured (not brand new) mobile phone. We will attempt to replace your mobile phone with the same model,

colour and memory but we can't guarantee to do this or replace any limited or special edition mobile phones. If we cannot do this you will be given a choice of models with an equivalent specification."

And:

"If we are unable to replace your mobile phone with the same make and model, we will contact you to discuss an alternative claim settlement. In any circumstance, any settlement will be capped at device's recommended retail price in the United Kingdom."

So, I think this made clear that where Helvetia decided a device needed to be replaced, rather than repaired, the replacement could be a refurbished device. I don't think that is unusual for this type of policy. Looking at what happened, it's my understanding that Helvetia assessed Mr A's phone should be replaced with a Grade A device of the same make and model. However, it was unable to locate a device that met this specification because of the age of the phone. As a result, it told Mr A it would provide an alternative claim settlement in cash. So, from what I can see, Helvetia offered to settle the claim in line with the policy terms and conditions. The policy said it might provide a refurbished device and that in some circumstances, it might need to provide an alternative settlement.

Helvetia's cash settlement offer was for £446. It told Mr A it would deduct the £100 excess from this amount. When Mr A complained, he said he didn't think it was fair for the excess to be deducted because he had to buy the phone himself. So, I've looked at what the policy terms and conditions said. This was:

"What aren't you covered for?
Excess: You need to pay a contribution every time you make a successful claim, the amount of your excess will depend on the type of claim you are making, and must be paid before your claim is settled."

So, I think the policy clearly explained that an excess would be payable for every successful claim made under the policy. I don't think this is unusual, including where a cash settlement is offered.

I've also looked at whether the amount Helvetia offered as a cash settlement was fair. I listened to phone calls related to the claim. In one phone call, Helvetia explained how it had decided the cash settlement amount. It had decided an appropriate offer by checking devices online that were Grade A refurbished phones of the same make and model. During the call, Mr A looked at the phone on a retailer website Helvetia referred to that showed the device at its cash settlement offer amount. I'm aware Mr A told Helvetia his concerns about using that company, including because of the battery life of phones it sold. Helvetia told Mr A he didn't need to buy the phone from that company and it was up to him what he chose to do with the money. It said it didn't recommend any particular companies. Mr A asked to speak to a manager. When the manager phoned Mr A, she also told him he didn't need to buy the phone from that company.

Mr A continued to raise his concerns about the battery. Helvetia told Mr A it was only able to provide a cash settlement, rather than a replacement, for his claim and it had to be for a like for like device. Helvetia then reviewed the claim again and increased its cash settlement offer to £539.99 based on a phone with upgraded storage, from which it would deduct the £100 excess. I note that Helvetia based this offer on a phone available on a different retailer's website than the company Mr A had expressed concerns about.

So, from what I've seen, Helvetia made its increased cash settlement offer based on a phone of a higher specification than Mr A's damaged device, which it didn't have to do under *the policy. It also told Mr A it was his choice where to buy a phone and that he didn't need to use the company he had concerns about. Based on what I've currently seen, I think Helvetia's offer was fair to enable Mr A to buy a replacement phone. I'm aware Mr A then bought a phone from the company he said he didn't want to use and has concerns about that device, particularly its battery life. However, once Helvetia made the cash settlement, it wasn't responsible for how Mr A then spent the money.*

Mr A was also concerned about the time it took Helvetia to deal with the claim. Looking at what happened, I didn't identify avoidable delays in how Helvetia dealt with the claim. When Mr A raised concerns, it also seemed to address those in a timely manner, including returning phone calls. I've also looked at the date on which Helvetia made the cash settlement payment and its records show it raised the payment shortly after Mr A provided his bank details. I'm aware Mr A later told Helvetia he hadn't received the payment. But based on the records Helvetia provided, these showed that the payment had already been sent a few weeks earlier.

So, having thought about this complaint carefully, I don't currently intend to uphold it or to require Helvetia to do anything else in relation to it."

I asked both parties to send me any more information or evidence they wanted me to look at by 25 August 2025.

Helvetia didn't reply. Mr A replied and in summary:

- He said the core issue was the battery performance of the replacement/ refurbished phone.
- He provided screenshots showing the battery performance.
- He said the battery performance was critical to the usability of his phone. He described the battery usage and phone performance. He said this showed the replacement was not of equivalent specification, as it failed to hold its charge for a full working day.
- He said although Helvetia's policy permitted refurbished devices, a phone with this level of battery degradation didn't return him to the position he was in before the loss.
- He wanted a replacement device with a battery that performed to an acceptable standard or a higher cash settlement amount that reflected the cost of purchasing a refurbished device with a healthy or new battery.

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 don't uphold this complaint and for the reasons I've given in my provisional decision. As part of that, I've considered Mr A's comments but this doesn't change my view about what is a fair and reasonable outcome to this complaint.

Mr A has explained his concerns about the battery life of the replacement device following his claim. Before I made my provisional decision, I looked carefully at what happened. I've also reviewed that evidence again.

Helvetia didn't provide Mr A with the replacement phone. It was unable to locate a suitable device. So it paid a cash settlement. During the claim, Helvetia also made it clear to Mr A that it didn't recommend particular companies to buy a replacement from. It said he could spend the money how he wished. When Mr A explained his concerns about the company Helvetia had used to decide the cash settlement amount, including because of battery issues, Helvetia reviewed this and increased its cash settlement offer. The increased amount was based on a phone from a different company to the one Mr A was concerned about.

As Helvetia didn't provide the replacement phone, it wasn't responsible for any issues with the device that Mr A bought with the cash settlement he was paid. He also wasn't required to use the company that he bought the replacement phone from. Although Mr A is unhappy with the phone he bought, I'm not persuaded that is down to the actions of Helvetia. I think it paid a fair cash settlement and made it clear to Mr A that he could choose where and how to spend the money.

As a result, I don't uphold this complaint or require Helvetia to do anything else in relation to it.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 September 2025.

Louise O'Sullivan
Ombudsman