

The complaint

Mr H complains about how Assurant General Insurance Limited dealt with his mobile phone insurance claim.

What happened

Mr H has mobile phone insurance through his building society account. He complains that when he made a claim for a lost phone Assurant sent him a SIM locked phone as a replacement.

Mr H says he's returned phones to Assurant several times but it sent other replacement phones with the same issue and told him the phones weren't showing a fault. He complained to Assurant and sent written confirmation from the phone manufacturer that his phone was SIM locked.

Assurant's final response letter to Mr H said it upheld his complaint because while it had found no fault with the replacement phone the phone manufacturer had confirmed there was a fault. Assurant sent Mr H another replacement phone and £100 compensation as an apology.

Mr H complained to us saying the latest replacement phone had the same problem and the compensation wasn't enough. The phone he lost was an unlocked phone so he expected Assurant to provide an unlocked phone as a replacement. He said he'd taken days off work when the replacement phones were being delivered and to go to the phone manufacturer's store to get the report of a fault. He had to buy another phone which cost over £1,000 because he needed a fully working phone for work and family as he's a carer. Mr H also said he'd lost about £100 on screen protectors and spent many hours restoring his settings on the phones only to find them SIM locked. He wants Assurant to pay him the cost of the new phone he bought and more compensation.

Assurant told us its final response letter wrongly accepted there was a fault with the phone. It offered to have the replacement phone back and if it found the phone to be faulty it would give Mr H a cash settlement for his claim. Mr H didn't agree to the offer as the phone had already gone back to Assurant who said there was no fault. He said the phone manufacturer's report proved there was a fault with the phone.

Both parties provided further evidence. Assurant provided its quality report which it said showed the replacement phone Mr H had was SIM unlocked to at least two of the four main UK networks. Mr H provided a screen shot of the phone and information from the phone manufacturer which said the phone was 'SIM locked'.

Assurant said the evidence Mr H provided showed the phone is locked to UK SIMs, which is typical of its stock and isn't a fault with the phone. The phone is an EMEA (Europe, the Middle East and Africa) model so will likely be locked to European networks and under the policy terms it wasn't obliged to provide a phone that could access networks outside of the UK as it's a UK based insurer. Mr H could speak to his network provider to get the phone unlocked.

Ultimately our Investigator recommended that Assurant's offer to cash settle the claim subject to it finding a fault with the replacement phone was fair. She said Assurant had shown the phone was unlocked to the UK network provider Mr H had a contract with and it didn't need to provide a phone that was unlocked to worldwide networks.

Mr H wanted an Ombudsman's decision. He said Assurant should provide a 'like for like' replacement under the policy terms and give him a SIM unlocked phone. He also said that since he made this claim he'd made another claim for another phone and Assurant had provided a SIM unlocked replacement phone for that claim. In addition, the policy is called a 'worldwide' policy with worldwide cover but he couldn't use the phone worldwide because it's not SIM unlocked.

Before I made my provisional decision I asked Mr H to clarify his complaint and Assurant to provide some more information. I referred to the relevant additional information in my provisional findings below.

What I provisionally decided – and why

I made a provisional decision as I was intending to not uphold the complaint and I wanted to give both parties the opportunity to comment on my provisional findings before I made a final decision. I said:

'I've considered all the points Mr H has made but I won't address all of his points in my findings. I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

The regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

Mr H has now clarified that the phone works on the UK network he has a contract with and that his complaint is the phone is SIM locked for worldwide networks. He named the two countries (which may fall outside the EMEA area) he'd visited on holiday where the phone wouldn't work.

So the issue I need to decide is whether Assurant reasonably settled the claim for Mr H's lost phone by providing a replacement phone that wasn't SIM unlocked to all networks worldwide.

Mr H says under the policy Assurant should provide a 'like for like' replacement for his lost phone. The policy terms say:

'If your mobile phone is lost or stolen we will replace it with a mobile phone of the same make, model and memory size. If we cannot do this you will be given a choice of models with an equivalent specification.'

Assurant say it's fulfilled those policy terms with the replacement phone it provided to Mr H. I've carefully considered whether Assurant can reasonably say the replacement phone was

of 'equivalent specification' if the phone Mr H lost was SIM unlocked and the replacement phone wasn't SIM unlocked, and I think Assurant can say so. The policy also says:

'What you are NOT covered for

Modifications - If your mobile phone has been modified in any way we will only replace the mobile phone, we do not cover the modifications that have been made. Modifications are anything that changes the way your mobile phone looks or operates from the original specifications. This includes things like...making software changes such as unlocking your mobile phone from a network'.

So even if Mr H's lost phone was SIM unlocked I don't think Assurant needs to provide a replacement that has been modified to be SIM unlocked to worldwide networks.

I asked for Assurant's response on Mr H's point about the policy being a 'worldwide policy' and the policy terms saying Mr H's phone is 'covered worldwide'. Assurant said the policy did cover incidents that occurred worldwide but that didn't mean it will provide a replacement phone that can be used with international SIM cards on every network around the world. It said Mr H's phone would work in other countries with his UK/EU SIM card. I think Assurant's response is fair.

Assurant says it's standard practice for UK insurers to provide EMEA model replacement phones to settle an insurance claim. Mr H says that's not so as since he made this claim he's made another claim on the policy for which Assurant did provide a replacement phone that was SIM unlocked. Assurant can't comment on that without specific details of the claim. Anyway, I understand that if Assurant has provided a replacement phone that's SIM unlocked for one claim Mr H thinks Assurant should do for this disputed claim. But the issue is whether Assurant's settlement of this claim was reasonable by giving Mr H a replacement phone that wasn't SIM unlocked for worldwide networks and for the above reasons I think it was reasonable.

I don't think there's any point in Assurant's offer to look to see if there's a fault with the phone. Mr H has now clarified that the 'fault' is the phone isn't SIM unlocked to worldwide networks. Assurant doesn't consider that a fault. For the above reasons I think that's a reasonable conclusion for Assurant to make.

As Assurant reasonably settled Mr H's claim there's no basis for me to say it needs to make any payment towards the new phone he bought.

I understand from Assurant's final response letter that it's already paid Mr H £100 compensation for his distress and inconvenience. It's told us the letter was wrong to say there was a fault and for the above reasons I agree. I haven't seen evidence that at the time Mr H had clearly told Assurant his complaint was only about the phone not being SIM unlocked for all worldwide networks. There's no basis for me to award any more compensation to Mr H'.

Responses to my provisional decision and further developments

Assurant accepted my provisional decision

Mr H said I was wrong to say his mobile phone had been modified to be SIM unlocked as he'd got his phone direct from the phone manufacturer already unlocked, he didn't have to modify the phone.

Our Investigator asked Mr H, on my behalf, to provide evidence to show his original phone was SIM unlocked to phone networks worldwide when he bought it and why he hadn't asked his mobile phone network provider to unlock the phone, as from its website that looks possible and straightforward.

Mr H sent us the order form for the mobile phone which showed he bought it from a well known on line marketplace. He said mobile phones bought from there are always unlocked. He also said the SIM lock wasn't his 'problem or job to fix' and that I have to decide if Assurant's replacement phone was fair.

Our Investigator emailed Mr H, on my behalf. I said:

- I'd noted he didn't think it was his job to ask his mobile phone network provider to remove the SIM lock. But I think if there's a relatively straightforward and cost-free way for a consumer to overcome an issue with the functionality of their replacement phone, I don't think it's unreasonable for me to expect them to do that. I'd looked on line and the general advice seemed to be that unlocking through the network provider would enable him to use the phone outside of the EMEA area. I asked Mr H to provide evidence from the network provider that he'd tried to get it to unlock the phone and been told that couldn't happen, and
- I think the ability to use the phone outside of the EMEA area wouldn't be key for most people so could he provide evidence that he has a particular need for the SIM unlock (for example regular travel to countries where the phone wouldn't work because it was locked).

Mr H didn't respond by the response date we gave him. We told him I would make my decision based on the information I had.

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.

Mr H hasn't responded to my requests for the evidence I've detailed above by the given response date, or by this later date of my decision. I've told him I'll make my decision based on the available evidence. I think it's reasonable for me to now make my final decision.

The new information Mr H provided about his original mobile phone is probably enough to show that he didn't modify that phone to be SIM unlocked to phone networks worldwide. So it's probable the replacement phone didn't have the same functionality. But, as I've already explained to Mr H, if there's a relatively straightforward and cost free way for a consumer to overcome an issue with their replacement phone I don't think it's unreasonable to expect them to do that. I explained that I'd looked on line and the general advice seemed to be that unlocking through the phone network provider would enable him to use the phone outside of the EMEA area, as he said he needed to do. I asked Mr H to provide evidence from the phone network provider that he'd tried to get it to unlock the phone and the network provider couldn't do so. Mr H hasn't provided that evidence.

I've also explained to Mr H that I don't think the ability to use the mobile phone outside of the EMEA area would be a key function for most people. I asked him to provide evidence that he has a particular need for the SIM unlock, such as he regularly travelled to countries where the phone wouldn't work because it was SIM locked. Mr H hasn't provided that evidence.

On the evidence available, for my above reasons I'm satisfied that Assurant reasonably settled Mr H's claim with the replacement phone it provided. There's no basis for me to say it needs to make any payment towards the new phone he bought.

Assurant had offered to look to see if there's a fault with the phone and if it found the phone to be faulty it would cash settle Mr H's claim. But Mr H clarified that the fault he referred to was that the phone wasn't SIM unlocked to phone networks worldwide. On the available evidence it's reasonable for Assurant to consider that's not a fault with the phone.

Assurant says it's already wrongly paid Mr H £100 compensation for his distress and inconvenience as there was no fault with the phone and for the above reasons I agree. There's no basis for me to award any compensation to Mr H.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 October 2025.

Nicola Sisk
Ombudsman