

The complaint

Mrs K has complained that Wakam returned a repaired phone to her that was still faulty, and has refused to pay for the cost of repairing it.

Wakam is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Wakam has accepted it is accountable for the actions of third parties instructed by it. In my decision, any reference to Wakam includes the actions of any third party instructed by Wakam during the course of Mrs K's claim.

What happened

Mrs K held mobile phone insurance with Wakam. In December 2024 Mrs K had a repair completed under the policy. Mrs K's phone was returned to her but she found it wasn't functioning as it should be as it kept heating up and not charging properly. Mrs K contacted Wakam the same day to report issues with her phone.

Wakam arranged to collect Mrs K's phone for inspection. Wakam say when it was received by its repair centre, it had sustained new mechanical damage, and was locked. Wakam said the damage had likely been caused by improper packaging and so wouldn't be covered.

Mrs K was unhappy with this response and brought her complaint to us. Shortly after the complaint was brought to this Service, Mrs K says she received an email from Wakam agreeing to open a new claim to repair her phone. Mrs K had already had her phone repaired and so couldn't proceed with this option. She asked Wakam to cover her repair cost in resolution of her complaint but Wakam said it wouldn't do this.

Our Investigator looked into Mrs K's complaint and he thought that Wakam hadn't done enough to show that a policy exclusion applied that meant that the claim shouldn't be covered. He recommended that Wakam pay for the cost of repair, plus £100 compensation for distress and inconvenience to reflect the upset caused by Wakam's poor handling of Mrs K's claim. Wakam disagreed with this and so it has come to me for a 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So I've considered the evidence to determine whether Wakam has acted fairly and reasonably in reaching its decision on Mrs K's claim.

Mrs K says the damage to her phone must've been caused by Wakam during repairs as it was returned to her not functioning as it should be. Wakam say the damage most likely happened because of the poor packaging of Mrs K's phone when it was sent to its repair centre.

My first consideration is the policy terms. I'm satisfied Mrs K has evidenced an insured event has happened. The policy defines 'Breakage' as 'The destruction or deterioration of the insured device due to a sudden or unforeseeable external event (such as being dropped, falling down, fire or contact with any type of liquids), which affects its proper functioning.' Mrs K says her phone wasn't charging properly when it was returned. This resulted in her contacting Wakam to make a claim. I'm satisfied on the evidence that Mrs K's claim was for an insured event as required by the policy terms.

It is for Wakam to show why the claim shouldn't be covered. Wakam say Mrs K failed to pack her device in sturdy packaging, and this has likely caused mechanical damage. I've carefully considered Wakam's position. But I haven't seen enough evidence to support that is what has happened here. I'd expect a report with accompanying photos to evidence the condition of Mrs K's phone when it was returned. I'd also need to see persuasive evidence to support Wakam's position that, on balance, the damage happened during transit, instead of the way Mrs K has described. I'm not persuaded it has done this.

Wakam say Mrs K was given the option to have her phone repaired but chose to repair it herself. I've considered Wakam's comments. But I'm not persuaded this option was made available to Mrs K in good time. I'll explain why.

I've seen that the final response letter was clear in saying that the reason for rejecting the claim was because of improper packaging (which I've seen no evidence of). Wakam say Mrs K was offered the option to repair her phone. Mrs K says this option was only made known to her when she brought her complaint to the Financial Ombudsman Service. And based on the evidence I've seen, I agree.

If Wakam had wanted to offer Mrs K more options in response to her complaint, such as the option to repair her phone, it ought to have made this clear to Mrs K in its final response letter. Wakam is within its right to make this offer at a later stage, however it's not unreasonable that in the meantime Mrs K sought to have repairs completed herself. Given the frequency of a mobile phone being used in day to day life, Mrs K's decision to have repairs completed after getting a response to her complaint saying Wakam won't be covering her claim, is fair.

I think Wakam was provided with sufficient opportunity to deal with Mrs K's claim, and it chose not to do this at the time of Mrs K raising concerns about its decision to decline cover. So, I think a fair outcome is for Wakam to cover the cost of repairs incurred by Mrs K- provided Mrs K evidences this cost with a receipt show what she has paid.

In addition to covering the cost of repairs, I think it's fair that Wakam make a payment for the distress and inconvenience caused to Mrs K by its poor handling of her claim. The Investigator recommended payment of £100, and having considered what has happened, and my overall direction for putting things right, I'm satisfied this amount is fair and in line with what I'd direct in the circumstances.

This amount recognises Wakam's lack of consideration of the claim, and failure to properly evidence its reasons for excluding cover. Because of this Mrs K had to complete repairs herself and the repairs took longer than they would've had Wakam dealt with the claim properly in the first place.

Putting things right

In order to put things right Wakam should:

1. Following proof of payment from Mrs K, pay the cost of repairs for Mrs K's phone for the damage reported with the phone heating up and not charging properly; and
2. Pay Mrs K £100 for distress and inconvenience.

My final decision

My final decision is that I'm upholding Mrs K's complaint and direct Wakam to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 17 October 2025.

Neeta Karelia
Ombudsman