

The complaint

Mr H is unhappy with what Assurant General Insurance Limited did after he made a claim on his mobile phone insurance policy.

What happened

In August 2025 Mr H acquired a new mobile phone. He took out insurance with Assurant. He made a loss claim because he'd left the new phone in a taxi he took home that day. Assurant said it was a policy requirement Mr H took care of his device. In this case it thought he could have taken steps to prevent the loss. It declined his claim.

Our investigator didn't think Mr H had acted recklessly (which was the legal test that needed to be met to say he hadn't taken reasonable care). He didn't think not checking the taxi when Mr H got out was a risk he'd failed to recognise. So the reasonable care test wasn't met. He said Assurant should reconsider the claim under the remaining policy terms and pay Mr H £50 to recognise the distress and inconvenience it caused him.

Assurant didn't agree. It said Mr H was in possession of a brand new and high value device and it was reasonable to expect him to have checked he had his personal belongings with him when leaving the taxi. It didn't think he had taken reasonable care. It didn't agree a policyholder not recognising a risk meant it should accept the claim (and provided an example in support of its position). And it didn't think the legal case our investigator had referenced was relevant given the significant changes in context and lifestyle since that judgement was reached.

I issued a provisional decision on the complaint earlier this month. In summary I said:

The relevant rules and industry guidelines say Assurant has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

Mr H's policy does provide cover for loss. So it could, in principle, cover the claim he made. However, it doesn't cover "Loss, theft, damage or breakdown because of not taking care of your Device". And it says that means "not knowingly leaving your Device somewhere it is likely to be lost, stolen or damaged. Just think would you leave your wallet or purse there?" Assurant has relied on that exclusion to turn down Mr H's claim because it doesn't believe he took reasonable care of his phone.

Assurant also argues the case law our investigator referenced on reasonable care isn't relevant because it dates back a number of years and technology has moved on since then. I appreciate the case in question dates from 1993 but it remains the leading legal case on the reasonable care test and represents current case law. So I'm surprised Assurant thinks it isn't relevant. In my view the test set out in that case remains the correct one to take into account. And it sets out that to demonstrate a policyholder didn't take reasonable care an insurer needs to show they acted recklessly. That means the policyholder would need to have recognised a risk but taken no measures to lower that risk or taken measures they knew were inadequate.

In this case our investigator said Mr H not checking the taxi when he left it wasn't a risk he'd recognised. But I think the risk here is of loss to the phone. Checking whether it was still in the taxi would be a measure someone might then take to lower that risk. And I think the risk of losing the phone while in the taxi is a risk Mr H would have recognised. In my view it's reasonable of Assurant to say it would have been apparent to him (as it would be to anyone) there was a risk of leaving belongings in a taxi. In fact Mr H took some steps to mitigate that risk because he put his shopping bags (one of which contained the phone) next to him in the taxi rather than in the boot or footwell.

Given that I think the question is whether Mr H should have known the steps he did take were inadequate. I accept keeping his possessions in close proximity to his person lowered the risk of loss. But I think it would also have been reasonable for him to check he had all of his shopping bags with him on leaving the taxi. Mr H says when he got in the taxi he had a total of three bags with him and the phone was in one of those (a white shopping bag). And all of those bags were next to him.

I think carrying out a rudimentary check of his belongings on leaving the taxi would have identified he only had two bags in his possession (instead of three) and the remaining bag was on the seat. And I think that's something it would have been reasonable for him to do. So while I accept Mr H took some measures to lower the risk of loss I don't think those were adequate. And, taking into account the relevant case law, I think it was fair of Assurant to conclude he hadn't taken reasonable care and turn down his claim on that basis. As a result I won't be upholding the complaint or requiring Assurant to take the steps our investigator recommended.

Responses to my provisional decision

Neither party responded to my provisional 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.

As I haven't received any further submissions in response to my provisional decision there's no reason for me to change the findings I set out in it.

My final decision

I've decided not to 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 7 May 2026.

James Park
Ombudsman