

complaint

Mrs S complains that Assurant General Insurance Limited unfairly declined her insurance claim for her son's damaged phone.

background

Mrs S holds gadget insurance through her bank account. The policy is underwritten by Assurant, so it's responsible for her claim and complaint.

The policy allows four mobile phones to be registered for cover. In November 2017, Mrs S called Assurant to update her registered devices. She asked if she could insure her son's phone, which was confirmed – and he spoke to the agent and provided the details. The agent advised Mrs S' son to review the policy terms online, as exclusions applied in the event of a claim.

In January 2019, Mrs S contacted Assurant to make a claim for her son's phone after it had been damaged. However, the claim was declined because her son was 25 years old, and therefore not eligible for cover.

The policy terms explain the policy is for: *"... you or a family member who lives at the same address as the named account holder (a family member is defined as your spouse/partner and children under age 18, or under age 23 if in full time education, and they are living at home outside of term time) ..."*

Mrs S complained she wasn't told when she registered her children's devices their eligibility depended on their ages, and she explained they wouldn't have ever been eligible. The call was escalated to a manager. The manager explained that whilst she would have expected Mrs S' son's age and living arrangements to have been established when his device was registered, this wasn't a requirement. The manager explained the device registration call would be listened to, and the agent given feedback if Mrs S' son's age wasn't discussed; however, she said Assurant had met its responsibility by providing the policy terms.

Assurant then sent Mrs S a written response to her complaint. The letter explained the policy terms had been correctly applied, but it apologised on the basis Mrs S shouldn't have been advised it wasn't a requirement to confirm the owner of the device. The letter also said that following a change in the policy terms, it does confirm the owner, and if the owner is a policyholder's child, it would also confirm their age.

Mrs S remained unhappy that Assurant was unwilling to consider her claim, so she referred her complaint to this service. Assurant has made the following points:

- Mrs S' son was advised to read the policy terms during the device registration call.
- It was Mrs S' responsibility to read and understand the policy; and it's not Assurant's process to ask a dependant's age when registering a device. It said Mrs S shouldn't have assumed her son was covered by the policy, and it's reasonable to believe a policyholder would read the terms before registering devices.

- The policy terms changed in February 2018, and a letter was sent to Mrs S advising her of the changes, which included eligibility, so she ought to have been aware her son wasn't covered by the information she received. The onus was on Mrs S to review the information sent to her and raise any queries.

One of our investigators considered the complaint, and she thought it should be upheld. She thought Mrs S' son's age ought to have been asked during the device registration call. She also noted that the letter outlining the policy changes was sent a day after the call, and she didn't think the letter was clear in terms of a dependant's eligibility. She also thought Mrs S' son would have got alternative cover had he been told he wasn't able to benefit from his mum's policy. So, she concluded Assurant should settle the claim, under the remaining policy terms.

Because Assurant disagreed with our investigator, the matter has been passed to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where evidence is inconclusive or incomplete, I have reached my decision on the balance of probabilities – this means I have determined what I consider is more likely to have happened, based on all the evidence that is available and the wider surrounding circumstances.

Under the policy terms, Mrs S' son wasn't eligible for cover. However, in the circumstances of this complaint, I'm not persuaded Assurant's decision to decline the claim was fair and reasonable.

In my view, Assurant has been inconsistent about its process when a policyholder registers their child's device. But in any event, regardless of Assurant's internal process, I consider it unreasonable for it not to discuss eligibility when a device belonging to someone other than the policyholder is being added for cover. Assurant are considered the experts here, so I'm satisfied it was reasonable for Mrs S to rely on the information it gave her. She specifically asked Assurant whether she could insure her son's phone, therefore, I'm satisfied it was reasonable for her to believe her son was eligible given it didn't advise there were age requirements.

Furthermore, during the device registration call, Assurant spoke to Mrs S' son – and at that time, the policy only covered dependants under the age of 18, rather than up to the age of 22. Having listened to the call, I consider the agent ought to have reasonably doubted the son was young enough to benefit from the policy. I accept Assurant advised him to review the policy terms, but this was in respect of the policy exclusions in the event of a claim, rather than his eligibility – so I'm not persuaded that direction was enough here.

Assurant points towards a letter and an accompanying leaflet that was sent to Mrs S the day after the device was registered. The documents outlined some forthcoming policy changes, which included changes to eligibility. However, I'm not persuaded the letter was sufficiently clear to make Mrs S aware her son wasn't eligible.

The letter gave a summary of the changes and includes a section for 'who's covered'. In that section, under the heading 'improved cover', it states: "*Account holder, partner/spouse, and dependent children living at the same address*". So, because the summary doesn't mention age, in my view it suggests any children living with Mrs S would be covered.

I appreciate the letter also encouraged Mrs S to read the accompanying leaflet, and although we haven't been given a copy of the leaflet, on balance, I accept it would have contained the full term as outlined in the background section of this decision. As such, I accept had Mrs S reviewed the leaflet, she would have understood her son wasn't eligible – given he wasn't under the age of 18, or under the age of 23 and in full-time education.

I also acknowledge that, under the heading 'today's cover', the letter states: "*Account holder and dependent children under 18*". Therefore, the letter did highlight that, until the changes came into place in three months' time, only dependants under the age of 18 were covered. So, an argument could be made that Mrs S should have been aware from the letter alone her son wasn't *currently* covered, and this ought to have prompted her into reviewing the policy terms and/or leaflet.

However, on balance, I'm not persuaded it would be reasonable to decide Mrs S ought to have studied the letter and leaflet in detail. I'm more persuaded that it was reasonable for her to rely on the device registration call that took place only the day before, particularly given the 'improved cover' section of the letter doesn't mention age.

Mrs S' son asked relatively detailed questions during the device registration call, to make sure he was covered for multiple scenarios. So, like our investigator, I'm also satisfied he would have sought alternative cover elsewhere had he been told he wasn't eligible.

In conclusion, I'm more persuaded that Assurant should have asked about Mrs S' son's age during the device registration call, than any of the other arguments presented. As such, I'm persuaded Assurant should deal with Mrs S' claim as if her son was eligible at the time his phone was damaged – and it should therefore consider the claim subject to the remaining policy terms.

my final decision

For the reasons I've set out above, I uphold this complaint.

My final decision is Assurant General Insurance Limited should consider Mrs S' claim subject to the remaining policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 January 2020.

Vince Martin
ombudsman