Financial Ombudsman Service

complaint

Mr D is unhappy with the service provided by London General Insurance Company Limited following a claim under his mobile phone insurance policy.

background

Mr D made a claim for damage to his phone. London General took from 3 April to 25 April to repair his phone (13 days of this was to authorise the repairs) but returned it to him with problems with the speaker and microphone. It was also returned to him without the branded charger he had sent in but with a different, unbranded, one. Mr D reported the problems the day the phone was returned to him. London General offered to do a further repair, or if Mr D went to the manufacturer's store he could get it repaired and send it the invoice or send in a report. However, Mr D was reluctant to be without his phone again and so continued to use it but had to do so with headphones because the speaker didn't work properly.

Mr D says that, as he had to use headphones while making calls, he dropped the phone and the screen broke. So he decided to return the phone to London General to have the repairs done.

Mr D says he had to pay another excess of £100, although London General reduced this to £50 after he complained. Mr D says that he received an email on 1 August telling him that his phone had been repaired but it wasn't repaired until 7 August.

Mr D is unhappy with the service received and says that he lost one and a half months' line rental (£64.49) and paid a total of £150 excess. He says the repairs that London General carried out can be done more cheaply than the excess he paid and so effectively no insurance is being provided at all. And the problems with the microphone on the phone are still there.

Mr D wants London General to refund the excesses he paid, reimburse him for the line rental costs for the time he didn't have the phone and pay £50 compensation.

London General says that the original claim form wasn't received and so it authorised the claim over the phone on 16 April, the phone was received on 22 April and returned repaired to Mr D on 24 April. The phone was returned to Mr D in April with a three month warranty but when Mr D returned the phone to it on 24 July, as the screen was damaged it had to treat this as new claim. Mr D was sent £15 to allow him to buy a new charger and his claim for a headset and screen protector was met.

One of our adjudicators looked into the case and decided that it shouldn't be upheld.

Mr D didn't accept the adjudicator's assessment. He has made the following points:

- he's adamant that he wouldn't have cracked the screen if he hadn't had to use it with the headphones and therefore suggests this should be dealt with as part of the initial claim and he shouldn't have had to pay a second excess.
- The policy is provided as part of a package with his bank account, which is described as 'Gold' level but the cover is less comprehensive than other policies, which invariably have a much lower excess. This is a cause of complaint to the Advertising Standards Agency. This package is no longer being sold.

- London General provides mobile phone insurance through other avenues, which have a much lower excess. There is therefore “price discrimination to customers of certain banks”.
- The option of an express return of the phone was revoked and not an option due to the work that needed to be carried out.
- The delays in dealing with the initial repair haven’t been addressed.
- The failure to carry out the initial repairs properly is a breach of the Supply of Goods and Services Act.

my findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Mr D’s initial claim took around three weeks in total. I don’t know why the claim form wasn’t received but this isn’t attributable to London General and so I can’t hold it responsible for this period. It authorised the phone repairs relatively promptly once it knew there had been a problem with the form and it seems that the phone was repaired within a reasonable time once it was received. Although I can understand that there would have been some inconvenience to Mr D in not having his phone working properly during this time, I don’t therefore consider that any compensation or other action is required in relation to this.

I can also understand the annoyance at being sent the wrong charger but London General offered a payment for a new branded charger. This seems reasonable to me.

Having notified London General of the problems with the phone it offered to repair it again; to reimburse the cost of a manufacturer’s repair; or to do a doorstep exchange on provision of a report from the manufacturer (i.e. exchange his phone for a replacement one). Mr D didn’t want to take up any of these options but I can’t see that London General could have offered any other alternative. Mr D says that the offer of an express repair was revoked but London General confirmed these two options were still available in its final response letter. While I can see why Mr D wouldn’t have wanted to be without his phone again, I can’t see that that London General should have done anything different at that stage.

Mr D says that because the speaker on the phone wasn’t working properly, he had to use the headphones which meant he later dropped the phone and the screen broke again. I am not clear how using the headphones would mean it was more likely to be dropped but in any case, as London General had given Mr D three different options to have the speakers and microphone problem sorted out, I can’t agree that the second time the screen cracked was due to anything it did wrong.

Therefore, although I would have expected London General to repair the speakers and microphone without charging another excess, as the screen also needed repairing again, it was entitled to charge a second excess.

Mr D says that the repairs can be carried out for less than the excess he paid and therefore that London General is making a gain on claims for accidental damage. There is no independent evidence to support that these repairs didn’t cost more than the excess he paid each time. The fact that some repairers can replace a screen cheaply, doesn’t mean that this repair cost less than the excess.

Mr D has also made some comments about the way the package that this insurance was sold as part of, is described and thinks that it's misleading. He also says that London General provides policies with a lower excess through other avenues and this is price discrimination. The package was sold by his bank and not London General and so I can't take address these points in the context of this decision. But, even if it offers other policies with a lower excess, it doesn't mean that London General isn't entitled to charge the excess set out in the policy that Mr D held.

my final decision

I don't uphold this complaint against London General Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 February 2016.

Harriet McCarthy
ombudsman