

The complaint

Mrs M and Mr M are unhappy a replacement device provided through a phone and gadget warranty underwritten by American International Group UK Limited (AIG) developed cracks to its screen. They want AIG to cover the cost of repairs and reinstate the 2-year warranty.

What happened

Mrs M and Mr M received a replacement electronic device following a claim on their warranty. They noticed one of the screen edges seemed very slightly elevated. But it seemed very minor and they didn't think it was necessary to report to AIG.

After fitting a new case and screen cover they noticed the screen had begun to crack along the raised edge. But when Mrs M and Mr M contacted AIG they were told they should've reported the issue within 72 hours of accepting the replacement.

Mrs M and Mr M were very unhappy with the service they'd received from AIG. So they arranged for a screen repair elsewhere. And they'd like AIG to cover the £135 cost and reinstate the 2-year warranty on their replacement device.

AIG said Mrs M and Mr M had got in touch 9 days after receiving the replacement model. Although they mentioned noticing a slightly raised screen edge they'd chosen not to report it within a reasonable timescale. The policy terms said any damage to the replacement must be reported within 72 hours of delivery. And checks on the device before shipping hadn't shown any damage or issues. So AIG wasn't able to uphold their complaint.

Mrs M and Mr M weren't satisfied with AIG's response. So they contracted our service and our investigator looked into the matter. After considering the information she felt it was fair for AIG to decline the claim as Mrs M and Mr M hadn't reported the raised screen within 72 hours of receiving the device. She said it was Mrs M and Mr M's responsibility to report the raised screen. And AIG was unable to confirm if the damage was due to this issue.

Our investigator could see Mrs M and Mr M were unhappy the 2-year warranty had been voided. But she felt it was reasonable and in line with what she would expect to see in the circumstances. So she wouldn't be recommending AIG do anything further.

Mrs M and Mr M didn't agree. When they received the replacement device the screen was raised by a fraction of a millimetre with no damage at that point. As it was minimal they hadn't reported it as they were prepared to accept it and Mrs M didn't want any further inconvenience or distress.

Mrs M and Mr M said there was no damage to report within the 72-hour policy limit. And they were waiting for a new cable, cover and screen protector before using the replacement. When they'd had the device repaired elsewhere they were told the screen hadn't been fitted properly. It wasn't fit for purpose. And they've asked for an ombudsman's final 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'm sorry to hear of the difficulties Mrs M and Mr M have experienced with the replacement device. I'm aware access to the electronic device is very important to Mrs M and I can appreciate it must've been upsetting and inconvenient while the repairs were dealt with.

So I've looked carefully at everything Mrs M and Mr M and AIG have said to see if AIG has done anything wrong. And if so what it needs to do to put things right. Having done so I've reached the same conclusion as our investigator and for broadly the same reasons.

The mobile and gadget insurance policy provides cover for accidental damage and loss or theft. The policy states it is not a new for old policy. And any replacement will be a remanufactured device which may contain non-original, third party or unbranded parts. If a replacement is necessary and the same model isn't available then the replacement device will have equivalent specifications.

The policy also states that any replacement that has damage when received must be notified with 72 hours of accepting delivery. Otherwise this may deem the damage to have occurred after the device was received.

Mrs M and Mr M didn't want to use the replacement device until they'd purchased a suitable case and screen cover. And they didn't consider a very slightly elevated screen edge as damage or a problem that should've been reported. When the cracks occurred they took the device to an independent repairer who they said didn't think the screen had been fitted properly. But the repairer didn't want to put anything in writing. And without any further evidence it isn't possible to say if the screen damage that occurred a few days later was due to the slightly raised screen or some other cause.

Based on what I've seen I think Mrs M and Mr M should've reported their concerns, although minor, within the notification period just in case there was an issue with the replacement device. It follows that I don't think it would be fair to ask AIG to pay for the independent repairs in such circumstances.

As the device screen has now been replaced by another company I'm sorry to say that AIG isn't acting unfairly in voiding the warranty on the replacement device. It wouldn't be reasonable for it to be responsible for repairs carried out by someone unconnected to the insurer.

I realise Mrs M and Mr M will be disappointed with this outcome but I won't be upholding this complaint and I won't be asking AIG to do anything more.

My final decision

For the reasons I've explained above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 13 May 2024.

Andrew Mason
Ombudsman