DRN-4820080

The complaint

Mr A complains that Assurant General Insurance Limited unfairly declined a claim he made under his mobile phone insurance policy.

Assurant is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Assurant has accepted it is accountable for the actions of the agents, in my decision, any reference to Assurant includes the actions of the agents.

What happened

In January 2024, Mr A made a claim under his mobile phone insurance policy with Assurant after he lost his mobile phone.

Assurant declined Mr A's claim because it didn't believe Mr A had taken care of his device. Mr A complained but Assurant maintained its position. So, Mr A asked our service to consider the matter.

Our investigator thought Assurant's decision to decline Mr A's claim was fair. But she recommended Assurant pay Mr A £150 for some poor customer service he experienced when he raised his complaint. The investigator thought one of Assurant's agents had provided unreasonable expectations to Mr A over the phone.

Assurant acknowledged that comments made by its agent over the phone should have been avoided. But it didn't think £150 compensation was fair. It felt £50 would be more appropriate. So, the complaint has been passed to me to decide.

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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

Assurant says it declined Mr A's claim because it didn't believe he'd taken reasonable care of his handset to avoid risk and protect it from loss. It was concerned with the high volume of claims Mr A had made in the previous eight months, which had happened in similar circumstances.

The policy's terms and conditions say:

"*We will always take into account where you are and what you are doing when we assess whether you have taken care of your Device. If we believe you have not taken care of your Device, and have knowingly taken a risk with it, we may decline your claim*."

Assurant's records show that Mr A made seven claims for lost devices under its policies from May 2023 to January 2024.

I've listened to a recording of a call from November 2023, where Assurant discussed Mr A's most recent previous claim with him. In that call the agent told Mr A that Assurant would be going ahead with the claim and requesting evidence. But Mr A would need to take greater precautions regarding his phone. The agent says:

"*What we need to make clear to you is that you will need to take a greater level of precaution with your devices, or we simply will not continue to replace them.*"

When Mr A made his claim in January 2024, he said the phone had gone missing from his pocket, which Assurant says was a similar scenario to his other losses.

I appreciate Mr A had more than one phone in his possession. But even taking this into account, seven claims in an eight month period seems very high. Mr A has commented that he did take relevant steps to protect his phone, such as purchasing a man bag which was with him at the time of loss. But he's also said that the phone wasn't in the man bag when it went missing. He says he'd slipped it into his pocket because he was in a rush and his hands were numb due to the cold weather.

Given his previous losses, I think it should have been clear to Mr A that his pocket wasn't a safe place to keep his phone. And Assurant had warned Mr A that it would not continue to replace his devices if he didn't take a greater level of precaution with them. So, I think it was fair and reasonable for Assurant to decline Mr A's claim on the basis that it did.

I understand Mr A is unhappy that Assurant didn't overturn its decision to reject his complaint after he was led to believe it would. I've listened to a recording of the conversation Mr A had with a member of Assurant's complaints team when he raised his complaint. In this call, the agent repeatedly told Mr A that he didn't think his claim should have been rejected. After putting Mr A on hold, the agent said he'd spoken to someone in the assessments team who had the same concerns he did. He said the reasons for the claim being rejected didn't sit right with multiple people.

Assurant says its agent shouldn't have provided Mr A with his own personal feelings regarding the claim, without the claim being fully reviewed again. It agrees that redress is due for the comments made by its agent, but it feels £50 would be more appropriate.

I appreciate Assurant feels our investigator's recommendation of £150 compensation for distress and inconvenience is too high. However, Mr A has made us aware of a pre-existing mental health issue, which makes him quite anxious and aggravated. Having listened to the other call recordings Assurant has provided, I think Assurant ought to have been aware that Mr A was being treated for a mental health condition. Given the state of Mr A's mental health, I think Assurant's failure to effectively manage his expectations had a greater impact than him than it might otherwise have done. So, I think £150 more reasonably recognises the impact of Assurant's poor customer service on Mr A.

Putting things right

Assurant should pay Mr A £150 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr A's complaint and direct Assurant General Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 August 2024.

Anne Muscroft
Ombudsman