

The complaint

Mr M complains that Assurant General Insurance Limited ('Assurant') mishandled his claim on a mobile phone insurance policy.

What happened

Mr M had a phone insured with Assurant. Each claim was subject to an excess of £75.00.

In late June 2024, Mr M reported to Assurant that he'd accidentally damaged the phone, cracking its screen and camera lens. Assurant arranged a repair.

On about 1 July 2024, Mr M got the phone back. On about 6 July 2024, he reported that the phone was faulty.

Assurant supplied a replacement phone. Mr M says this replacement phone had issues with the lens not working properly.

On about 1 August 2024, Mr M reported to Assurant that he'd dropped the replacement phone into water, and it had stopped working. Assurant told Mr M he would need to make a new claim.

Mr M complained to Assurant that it had supplied the replacement phone in unsatisfactory condition, otherwise the water wouldn't have damaged it.

By a final response dated 5 August 2024, Assurant turned down the complaint.

Mr M brought his complaint to us later in August 2024. He said that he'd bought a replacement phone for about £1,200.00. He asked that we direct Assurant to refund the excess and to pay him the going rate for a phone like his old one – approximately £380.00.

Our investigator recommended that the complaint should be upheld in part. He didn't think that Assurant concluded the claim in a satisfactory way. He didn't think that the way in which Assurant proposed to resolve the complaint was fair. He recommended that Assurant should pay Mr M the market value of a replacement pre-owned phone.

Assurant disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- The replacement device was in full working order when it was provided to Mr M.
- The warranty is clear that it only covers for mechanical and electrical faults, and not damage. As Mr M dropped the phone in water, this voided the warranty.
- The manufacturer confirms that its devices are not completely waterproof. The manufacturer's warranty does not cover water damage.
- Once Mr M reported the water damage, it made the correct decision that Mr M would need to make a new claim.

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We consider a consumer's complaint against a regulated firm about an unfair act or omission.

Where we uphold a complaint, we consider the impact of the unfair act or omission on the complainant. We consider directing the firm to take steps to put right that impact. We don't assess compensation by reference to the impact on other consumers. We don't assess compensation at a level intended to punish or to deter unfair acts or omissions.

The manufacturer of Mr M's phone said the following:

"These models have a rating of IP68 under IEC standard 60529 (maximum depth of 6 metres up to 30 minutes)".

I accept that Assurant has procedures to ensure the quality of repaired or replacement phones. That includes – if the phone is opened – resealing it with adhesive.

However, Assurant's repair of Mr M's phone wasn't satisfactory – and Assurant accepted that by replacing it.

Mr M has said that there were issues with the quality of the replacement phone (specifically its camera lens) before he briefly dropped it into shallow water.

I accept that the manufacturer has also said that no phone is waterproof, and that water resistance is not permanent. I accept that the manufacturer's warranty doesn't cover water damage. It's not my role to express an opinion on whether the manufacturer should repair or replace a phone that turns out not to be water resistant.

However, I find that Assurant supplied a replacement phone to Mr M that was not in satisfactory condition because:

1. its camera lens wasn't working properly and
2. it wasn't as water resistant as it should've been.

I find it fair to say that if the replacement phone had been as water resistant as it should've been, then the brief immersion wouldn't have caused water damage. So the deficiency in water resistance caused the damage.

Putting things right

I've thought about what it's fair to direct Assurant to do to try to put things right.

I find it fair to direct Assurant to pay Mr M the market value of a used phone like his before he accidentally damaged the screen and camera.

I've thought about directing Assurant to add interest at our usual rate or to pay compensation for distress and inconvenience. However, I've decided that it wouldn't be fair to do so because there's not enough evidence of the impact on Mr M, keeping in mind that Mr M took matters into his own hands by buying himself a new phone.

When he made the claim, Mr M had to pay the £75.00 excess to get his phone repaired (and later replaced). Whilst the repair and replacement didn't go well, I'm directing Assurant to pay the market value of Mr M's phone. So Mr M will have had the benefit of a successful claim on the policy. And I don't find it fair to direct Assurant to reimburse the £75.00 excess.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Assurant General Insurance Limited to pay Mr M the market value of a used phone like his before he accidentally damaged its screen and camera.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 January 2025.

Christopher Gilbert

Ombudsman