

The complaint

Mr S 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 £100.00.

On about 12 August 2024, Mr S reported to Assurant that he'd lost the phone. Assurant declined his claim, saying that he'd failed to take care of the phone. By about 19 August 2024, Mr S had complained to Assurant that it wasn't treating him fairly.

By a final response dated 23 August 2024, Assurant turned down the complaint. Mr S brought his complaint to us without delay. He asked us to direct Assurant to meet his claim.

Our investigator recommended that the complaint should be upheld in part. He didn't think that Assurant had shown Mr S was reckless in failing to take care of his phone. The investigator recommended that Assurant should:

1. reconsider the claim under the remaining terms; and
2. add 8% interest from one-month post-claim to any settlement; and
3. pay £100.00 compensation for Mr S's distress and inconvenience.

Mr S accepted the investigator's opinion.

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

- Mr S took a risk by knowingly leaving his high value phone in an unsecured pocket while riding a bike.
- Mr S has confirmed there was a safer place to keep the phone which was his secured bag which contained his other belongings.
- The policy terms are clear that if a customer has knowingly taken a risk with the phone, the insurer may decline the 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 policy covered loss of the phone.

The policy terms included the following:

"What you are NOT covered for

Loss, theft, damage or breakdown as a result of not taking care of your mobile phone

...

If you don't take care of your mobile phone then we may not pay your claim.

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

Notwithstanding the policy terms, I wouldn't find it fair for an insurer to decline a claim on the grounds of the policyholder's lack of care, unless that amounted to taking a recognised risk recklessly by taking measures which they knew were inadequate.

Mr S had the phone in his pocket to cycle home. He could've put the phone in his bag. However, even with the benefit of hindsight, those facts fall well short of persuading me that Mr S recklessly took the risk of the phone falling out of his pocket.

Rather, I find that Mr S considered that his phone was in a safe place, while remaining accessible to him. I don't find that reckless. So I don't find that Assurant treated Mr S fairly by declining his claim on the grounds of lack of care of his phone.

Putting things right

I've thought about what to direct Assurant to do to try to put things right for Mr S.

I will direct Assurant to reconsider his claim in line with the policy terms other than those relating to his care of the lost phone.

I take the view that Assurant should've considered the claim further by no later than about 12 September 2024. So I find it fair to direct Assurant to pay Mr S simple interest at our usual rate on any monetary sum it pays him in settlement of the claim.

In the usual course of events, losing a mobile phone is bound to cause upset and inconvenience. However, Assurant should've dealt with the claim promptly and fairly. I'm not satisfied that it did so.

And I don't doubt that its unfair handling of the claim caused Mr S extra distress and inconvenience at an already difficult time for him. That included the need to contact Assurant more times than should've been necessary. It also included a feeling that he wasn't getting the response he was entitled to expect. So I find it fair and reasonable to direct Assurant to pay Mr S £100.00 for distress and inconvenience.

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:

1. reconsider Mr S's claim in line with the policy terms other than those relating to his care of the lost phone; and
2. pay Mr S simple interest at a yearly rate of 8% on any monetary sum it pays him in settlement of the claim from 12 September 2024 to the date of payment. If Assurant considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr S how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM

- Revenue & Customs if appropriate; and
3. pay Mr S £100.00 for distress and inconvenience.

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

Christopher Gilbert

Ombudsman