

The complaint

Mr G complains about American International Group UK Limited's (AIG) delays during a claim made under his gadget insurance policy.

What happened

Mr G had a device covered under a policy from AIG. His device was stolen, and he not only reported the theft to the police but also to AIG, who started the claims process. Mr G was asked to provide proof of barring and proof of usage documents, in order to support his claim.

Mr G was unhappy that AIG asked him for additional paperwork, when he said that he had uploaded all the paperwork that had been required to support his claim. He said that this resulted in him having to chase AIG and he said that AIG created unnecessary delays by requesting documentation that it already had. And was contrary to what was indicated in the policy terms and conditions. So, Mr G made a complaint.

In its final response, AIG said that it had dealt with Mr G's claim as per the policy terms and conditions. It noted that some of the documentation had been rejected but once it had been accepted its claim's validation team had up to two working days to assess the documentation. So, it was unable to uphold this part of the complaint. But accepted that Mr G had experienced some poor service and gave him £50 compensation for the trouble and upset this caused.

Mr G was still unhappy with the outcome and as he was given his referral rights, referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. She said that AIG were within its rights to request documentation in order to validate a claim. Although she sympathised with the delay, she felt that AIG had recognised the poor service and its offer of £50 compensation, she thought was fair.

AIG accepted the view, Mr G did not. He said he had no issue with AIG asking for documents. The issue was that he had already supplied the documents that had been requested and that AIG imposed an artificially created delay into its systems in order to frustrate the consumer. He felt that the validation process could have been done much sooner. He made it clear that this was the only issue regarding his complaint. So, he asked for a decision from an ombudsman.

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 won't uphold this complaint. I understand that this might be a disappointment to Mr G, but I hope my findings go some way in explaining why I've reached this decision.

Mr G has made it clear that the only issue in his complaint is that he felt that the validation process that AIG utilised, was too long and caused an unnecessary delay. Especially as he said that he had already submitted the documents that it required under the terms and conditions of the policy. So, I've had a look into this further.

The starting point here would be to see what the terms and conditions state, as this is the agreement between the parties and it's what AIG said it adhered to whilst it validated Mr G's claim.

Mr G confirmed that he had no issue with providing the documentation, which then had to be validated. But he was unhappy with the two working day period that AIG required to validate the documents that he sent in.

From the terms and conditions of the policy, it provides that AIG are permitted to ask for additional documentation in order to validate a claim. I haven't read any information about timescales. But I've listened to the call when Mr G initially reported the theft of the phone. And during that call the advisor informs Mr G that the claim will be sent to the claim validation team for its review, and it would contact him within the next two working days. I note that at this time Mr G was content with this information, as he confirmed that this was fine and thanked the adviser before the call was terminated.

Although there doesn't appear to be a timeframe in the policy, I don't think that AIG were unreasonable in informing Mr G that it would be validating the claim, as well as possibly asking for further documentation to support the claim. And I don't think that the two working days timeframe could be considered excessive.

I'm satisfied that Mr G has confirmed that he had no issue with providing the necessary documents, so I won't comment on this further. But I have looked into the overall timescale that AIG took before settling the claim.

Mr G reported the theft on 10 May 2023. He then called AIG to chase on 12 May 2023. AIG asked for documents in support. Mr G complained but advised that the documents had been uploaded. The proof of usage document was rejected. Mr G then complained again on 15 May 2023, after he had called to check the status of the claim. On 16 May 2023 the proof of usage was approved but the proof of barring was rejected. And wasn't approved until 17 May 2023, when Mr G supplied the correct document. Further, the claim was approved in full on 17 May 2023. And Mr G's replacement device was sent to him.

In total the claim took around seven days to settle, from first date of report, until it was fully accepted. Although I appreciate that Mr G experienced some inconvenience, AIG explained that it required validation of the claim and required additional documents to assist with this.

The policy terms and conditions make it clear that the claims process might require extra documentation to validate a claim. Mr G confirmed that he was aware of this requirement. So, I don't think AIG were unreasonable or caused additional delays during the claims process.

Mr G said that he had already sent in the documents that AIG required. But, from the evidence, it appears that the documents that he sent in, were rejected a few times. I note that once AIG correctly received the documents, the claim progressed to settlement. In addition, I'm not persuaded that seven days to settle a claim is excessive. AIG did recognise

that there was some poor service issues and I think the £50 compensation offered is fair and in line with our guidelines.

I acknowledge Mr G's strength of feeling about this complaint and the reason why he referred it to our service. But, in the overall circumstances of this complaint, I haven't seen enough evidence to show that AIG acted unfairly or unreasonably and caused additional artificial delays. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 September 2023.

Ayisha Savage
Ombudsman