

The complaint

Miss G's complaint is about a claim she made on her American International Group UK Limited ('AIG') mobile phone insurance policy, which was eventually declined.

Miss G is unhappy with how AIG handled the claim as well as the outcome they reached. She wants AIG to now accept her claim, send her a new phone and pay her considerably more compensation than they've offered her.

She also says that the delay in AIG dealing with her claim led to her missing a payment on the credit she obtained to purchase the phone, which resulted in a missed payment marker being added to her credit file. Miss G feels that AIG are responsible for this.

What happened

Miss G made a claim on her AIG mobile phone insurance policy for a replacement phone after she reported that her phone had been stolen.

There followed a long exchange of telephone calls and some emails between Miss G and AIG in respect of the claim. There were considerable delays in the claim being progressed for a decision by AIG. This was initially down to Miss G not paying the policy excess in order to enable the claim to be considered in the first instance. This in turn resulted in the claim being closed, which prevented AIG from reopening it from a process point of view.

Eventually AIG opened a new claim and took the excess payment details from Miss G. After assessing the claim, they concluded that she hadn't complied with the policy conditions which required Find My iPhone (FMIP) to be turned on at the time of and during the course of the claim. Instead, they said that Miss G's claim was turned off before the claim was registered and throughout the course of the claim. As such they declined to cover her claim.

AIG did however acknowledge that they could have offered Miss G a better standard of service. They apologised for this and offered her £150 in compensation. Miss G remained unhappy and referred her complaint to the Financial Ombudsman Service.

Our investigator considered Miss G's complaint and concluded that it shouldn't be upheld. She said that AIG were entitled to decline the claim based on the evidence they'd been provided with from Apple about when FMIP was disabled. She also said that the £150 AIG have offered accorded with the compensation we would award for the service failings in question, so AIG didn't need to do anything further.

Miss G doesn't agree so the matter has been passed to me to determine.

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 be upholding Miss G's complaint. Before explaining why, I want to assure Miss G that I understand her strength of feeling about her complaint. And whilst I've

considered all the submissions she's made, I won't be addressing each and every one in this decision. That's not intended to be disrespectful, but rather represents the informal nature of the Financial Ombudsman Service.

The starting point is the policy terms. They say:

"1.30. "Theft and Loss Coverage" means the cover providing for replacement of Your Covered Equipment due to events of Theft or Loss. You must have Find My enabled on Your Covered Equipment at the time of the Theft or Loss. Find My must remain enabled, and Your Covered Equipment must remain associated with Your Apple ID, throughout the Theft or Loss claims process."

"Exclusions

...This policy does not cover you for:

5.3.12. any Theft or Loss of Covered Equipment where Find My functionality is not enabled on the Covered Equipment throughout the Coverage Period including at the time of the Theft or Loss. Find My must remain enabled, and Your Covered Equipment must remain associated with Your Apple ID, throughout the Theft or Loss claims process."

"General conditions

.. The following conditions apply to this Policy:

6.2.1. Find My. As a condition of receiving Theft and Loss Coverage, You must have Find My enabled on Your Covered Equipment throughout Your Coverage Period and at the time of the Theft or Loss. Find My must remain enabled, and Your Covered Equipment must remain associated with Your Apple ID, throughout the Theft or Loss claims process."

In this case AIG declined the claim because the evidence they obtained from Apple was that FMIP was turned off on 2 June 2023, which was three days before Miss G made the claim and that FMIP remained turned off throughout the course of the claim.

Miss G doesn't agree with this. She says that FMIP wasn't turned off on the dates AIG have set out and that it was still enabled until September 2023. I'm not persuaded by the evidence Miss G has supplied to support this. None of the items she's adduced conclusively prove that FMIP wasn't disabled either before or during the course of the claim. This includes, but isn't limited, to a photograph of another iPhone, a screenshot of her iCloud which she says proves that FMIP was active until 13 September 2023. There was nothing in the screenshot that included any identifying information in relation to the device serial number. Miss G has also provided an email from an Apple employee asking a series of questions, an invoice for the purchase of the device being claimed for and screenshots from AIG's online claims process. Additionally, she's referred to information from the finance company for the phone that's the subject of the claim, stating that they'd expect AIG to settle her claim. And she's said that AIG wouldn't have been able to set up a claim if the FMIP function was disabled because they wouldn't have been able to set it up against the correct device. Again, none of these corroborate what Miss G says or call into question what Apple have told AIG about when the FMIP function was turned off.

I've also looked carefully at the information Apple gave AIG. AIG went back to Apple on two occasions to confirm their position. Apple confirmed that FMIP can only be turned off using Miss G's Apple ID and password and that this was turned off on 2 June 2023. They've also explained that it would have been possible for AIG to start a claim for the device even if FMIP had been disabled because there's no restriction on this happening. In light of this, I think AIG were entitled to rely on the information given to them by Apple when determining that FMIP was turned off before the claim was submitted. And given the provenance of the evidence I've seen, I'm satisfied the policy terms were not met in this case because FMIP

was disabled both before and during the life of the claim. I think this prejudiced AIG because it meant they couldn't verify the specific phone associated with Miss G's Apple account that she was claiming for was in her possession from the time she said it was stolen, or indeed track that this had stopped being the case. And if the function had been turned on, it would have mitigated AIG's risk by potentially helping with the recovery of the phone. So, I think it was reasonable for AIG to turn down Miss G's claim.

Turning now to the other matters Miss G remains unhappy with; I know Miss G is dissatisfied with the time it took AIG to deal with her claim and the general way in which it was handled. I've considered the call notes of the conversations Miss G had with AIG as well as their email exchanges. I'm satisfied that the initial delay in progressing her claim was down to the fact that she hadn't paid the policy excess so the claim couldn't be considered. When payment details were provided by Miss G, the claim did proceed promptly. However, there were some procedural difficulties AIG encountered in between this which did cause a delay in the claim progressing when Miss G was ready to provide payment details for the excess. This was because AIG had closed their file after the time allocated to a claim had expired. This wasn't something Miss G was responsible for, and I appreciate this would've caused her both frustration and inconvenience. AIG have acknowledged there were customer service failings. Their offer of £150 is in my view adequate compensation for this. That's because I don't think they needed to do anything further until Miss G was ready to offer valid payment details for the policy excess and the delay in resolving things when Miss G was ready to provide card details wasn't considerable.

I've also considered Miss G's complaint that AIG's conduct resulted in a default being registered against her credit file because she missed a payment on the phone she was claiming had been stolen. I don't think this was down to anything AIG did. A claim on an insurance policy is just that, a claim. It isn't a guarantee of payment. And in this case, I've determined that AIG were entitled to turn down that claim for the reasons I've set out. So, any failures to meet her obligations under a separate credit agreement were down to Miss G. That's not something I can hold AIG responsible for. In addition, I can see that the point at which Miss G says the default was registered was before she'd even paid the policy excess, despite AIG making it clear this is what was required in order to progress things. So, I don't think she could reasonably expect to receive anything in respect of her claim, such that she thought it was reasonable to stop making payments on the phone.

My final decision

For the reasons I've set out above, I don't uphold Miss G's complaint against American International Group UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 13 February 2024.

Lale Hussein-Venn
Ombudsman