

## **The complaint**

Ms S complains about the way American International Group UK Limited ("AIG") dealt with a claim on her mobile phone insurance.

## **What happened**

Ms S has insurance for her mobile phone provided through her bank. She wanted to make a claim when she lost her phone. She was told she needed to register the phone in order to make a claim.

After registering her phone, Ms S contacted AIG again and was told the claim could be met but she would need to pay an excess.

Ms S complained about how long the process had taken and the fact she would have to pay an excess to continue with the claim but would only receive a refurbished phone, not a new one.

AIG said it had dealt with the claim correctly. So Ms S referred the complaint to this Service. Our investigator said AIG had dealt with the claim in line with the policy terms.

Ms S said the terms of her policy had changed without her being told of this; she had registered her devices previously so it wasn't fair that she had to do this again; and if she'd been told about the changes she wouldn't have kept the policy.

The investigator considered these points but didn't change her view. She said the claim had been dealt with in line with the policy terms and if Ms S was unhappy about the information given to her about the insurance, she would need to refer that issue to the bank.

Ms S remains unhappy and has requested an ombudsman's decision.

## **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.

This complaint is only about the way AIG dealt with Ms S' claim, so I can only consider whether the claim was dealt with fairly, in line with the policy terms.

The policy terms say

- if the phone isn't already registered, it must be registered at the time of making a claim;
- an excess is payable before the claim will be settled;
- where a replacement phone is provided this will be a refurbished model, not brand new;
- changes may be made to the insurance, including to the benefits provided or the insurer that provides the cover, and notice will be given of any changes.

So in order to make her claim, Ms S first had to register her phone and then pay an excess. She contacted AIG on 7 July 2023 and was told her phone wasn't already registered, so she needed to do this. Her phone (and other devices she owned) were registered on 13 July. AIG asked for some further information, which she provided on 20 July. The next day AIG confirmed her claim could be settled and she would need to pay the excess.

The terms set out that an excess is payable and that a replacement phone will not be brand new. These terms are not unusual. Nearly all insurance policies have an excess, which is the first part of a claim that the consumer has to pay. Most mobile phone insurance policies allow the insurer to replace a phone with a refurbished handset. That's not unreasonable as long as this is clearly stated in the policy.

I'm satisfied AIG dealt with the claim promptly and explained to Ms S what she needed to do to make her claim. There was no avoidable delay.

I appreciate Ms S was unhappy that the insurance had changed and she wasn't aware of that. But that would be something for her to take up with her bank. AIG's responsibility is limited to dealing with the claim. I'm satisfied it has done that fairly and in line with the policy terms.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 4 January 2024.

Peter Whiteley  
**Ombudsman**