

The complaint

Mr B's complaint is about a claim he made on his Astrenska Insurance Limited trading as Collinson Insurance ('Astrenska') mobile phone insurance policy.

Mr B says Astrenska treated him unfairly.

What happened

Mr B made a claim on his Astrenska mobile phone insurance policy after he reported that it had been stolen.

Astrenska considered the claim but declined it on the basis there wasn't an active SIM card in the device at the time Mr B reported it had been stolen and this was a requirement of the policy. Astrenska also said that the Find My iPhone ('FMIP') feature had been changed several times after the date of loss and that this was something only Mr B could do. As such they said his claim was fraudulent and declined to cover it further.

Unhappy Mr B complained to the Financial Ombudsman Service. He provided evidence from his network provider to show that an active SIM card was in the phone at the date of loss. He also said that he didn't change the FMIP feature himself.

Our investigator considered Mr B's complaint and concluded it should be upheld. He said that Mr B had provided compelling evidence from his network provider to show his SIM was active at the time Mr B said it was stolen. On the question of FMIP, the investigator said that Mr B said he didn't change the status of his device at all, and whilst he did put it into lost mode, he wasn't able to do anything further once it was stolen. The investigator felt that Astrenska hadn't persuasively established that Mr B had been the person to change the FMIP feature several times after the date of loss. As a result, he said that Astrenska weren't entitled to decline his claim based on the SIM card not being in situ when the phone was stolen or under their fraud policy. He also directed that Astrenska pay Mr B £150 in compensation for the distress caused to him as a result of Astrenska declining his claim for the reasons given.

Astrenska didn't agree. They explained that in order to take a device out of lost mode or change its status on FMIP the customer's password would be required to confirm this. And in the absence of any evidence to suggest Mr B's account had been hacked, they didn't think it was unreasonable for Mr B's claim to be declined on this basis.

The investigator reconsidered the position but remained of the view that on the balance of probabilities, Astrenska hadn't shown Mr B had made the changes FMIP. Because of this he thought Astrenska weren't entitled to reject the claim in the way that they had. As such, he stood by the findings of his original view.

Astrenska didn't agree so the matter has been passed to me to determine. In responding to the Financial Ombudsman Service, they said they are also entitled to decline the claim on the basis that Mr B failed to take all reasonable precautions. By taking the phone out of lost mode was in their view enough to amount to this.

I issued a provisional decision in March 2024 in which I said the following:

"I've considered the relevant information about this complaint.

Having done so, I intend to depart from the investigator's findings and not uphold Mr B's complaint.

The starting point is the policy terms. For claims for loss, it's a policy requirement that Mr B's device was fitted with an active functioning SIM up to the event giving rise to the claim. One of the reasons Astrenska declined Mr B's claim was because they didn't think he could substantiate there was a SIM card present in the device at the time of loss. Mr B has since obtained evidence from his network provider that supports his position. Because of this I'm satisfied that he did have an active functioning SIM up to the event giving rise to the claim. So, the issue I'm determining here is whether Astrenska were entitled to turn the claim down in reliance of their fraud policy.

Astrenska's policy terms say:

"Fraud policy

You must not act in a fraudulent way. If you or anyone acting for you:

- fails to reveal or hides a fact likely to influence whether we accept your proposal, your renewal, or any adjustment to your policy;*
- fails to reveal or hides a fact likely to influence the cover we provide;*
- makes a statement to us or anyone acting on our behalf, knowing the statement to be false;*
- sends us or anyone acting on our behalf a document, knowing the document to be forged or false;*
- makes a claim under this benefit, knowing the claim to be false or fraudulent in any way;*
or
- makes a claim for any loss or damage you caused deliberately or with your knowledge*

If your claim is in any way dishonest or exaggerated, we will not pay any settle any claims under this benefit or return any premium to you. We may cancel your benefit immediately and backdate the cancellation to the date of the fraudulent claim. We may also take legal action against you and inform the appropriate authorities."

Astrenska say that the status of the FMIP feature had been changed several times after the date of loss and that this was something only Mr B could do because it required a password for this to happen. Mr B denies he changed the status of FMIP after the phone was stolen. He hasn't been able to explain why that would have been the case.

From the evidence Astrenska have provided, I'm satisfied that the FMIP feature was changed several times after the date of loss. And the evidence I've seen in this case accords with our usual approach to this issue which is that the FMIP feature can't be changed (either turned on or off) without Mr B's password being used.

Mr B hasn't provided any explanation about how another person could have obtained and used his password- for example how the person who stole his phone was able to obtain his security information at the point the loss occurred. And although it's possible that someone could have theoretically 'hacked' his account, I'd expect to see more in the way of loss if this was likely- like for example evidence of other information on his account being compromised and Mr B hasn't made any submissions to support this.

So whilst I appreciate all of the reasons that Mr B has given that supports why it's unlikely he would make a claim for a stolen phone fraudulently- including the fact that he was paying for two credit agreements for the phone that's the subject of this claim and a new one to replace

it- I don't think it was unreasonable for Astrenska to decline his claim in the way that they did.

As I've said, we have commonly accepted that the only way for the FMIP feature to be changed after the date of loss is by the owner's password to be used. Mr B can't explain how that happened and so I think that Astrenska were entitled to turn down his claim on the basis that the statements surround the claim or the claim itself is false.

I know Mr B will find my decision disappointing, but it accords with the approach the Financial Ombudsman Service have applied to the FMIP feature and the ability for it to be changed after the date of alleged loss."

I asked both parties to provide me with any further comments or evidence. Astrenska haven't responded but Mr B has. He doesn't accept my provisional decision and has made a number of submissions in response. I won't repeat those here. Rather I'll discuss those in my findings below.

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 remain of the view that Mr B's complaint should not be upheld. I'll explain why below.

Mr B's submissions in response to my provisional decision are essentially that Astrenska hasn't been able to demonstrate that he was the person who changed the FMIP status after the date of loss and that it's very unlikely he would make a claim for a stolen phone fraudulently because of his present circumstances.

I appreciate what Mr B says about not receiving any emails on his iCloud account to say FMIP was changed, and his further offer to give access to this iCloud account, which he feels will help show that no notifications were received to confirm the change in status of FMIP after the date of loss. But I don't think this helps establish that the FMIP feature wasn't turned on and off by using Mr B's password after the date of loss and that someone other than Mr B did this, because it's widely accepted by this Service and Apple that the only way of doing so is by entering his password into the device. I say so because I've seen nothing to explain how another person could have obtained his password.

The evidence Mr B has given about disabling FMIP from the physical device rather than through his iCloud account supports what I've said- that essentially his password was necessary to do this. I know Mr B says he didn't give his password to anyone, but this doesn't in my view help his case. The fact that he didn't do so and can't explain how his password might have become compromised means that it was fair for Astrenska to turn down his claim for the reasons I set out within my provisional decision.

Mr B also says it's necessary for it to be proved beyond reasonable doubt that he shared his password with someone. But that's not the test we'd apply here. The test applicable is whether it's more likely than not that Mr B's phone was stolen when he says it was. Given the evidence I've seen supports that the FMIP feature was turned on and off several times after the date of loss and it's widely accepted this can only be done on the device with the benefit of Mr B's password (or indeed face id) and there's no other explanation about how these details might have become compromised, I think it's more likely than not that Mr B's device was not stolen when he said it was, and therefore that Astrenska are entitled to turn down his claim.

Turning now to the further reasons why Mr B says it's unlikely he would make a claim for a stolen phone fraudulently. Although I understand the points Mr B is making, they don't go to the heart of the issue which I've outlined above, and they don't prevent a policyholder from for example selling their phone to someone else and disabling FMIP. It's possible that the value of such a sale could outweigh the cost of the two devices Mr B was paying for and if his insurance claim was successful, he'd have potentially recovered the value of the phone twice. Whilst I'm not saying that's definitively what happened here, there are other possible explanations for Mr B's actions. So, I don't agree that his circumstances meant it was wrong for Astrenska to turn down his claim. And although Mr B talks about the potential for the device that's the subject of his claim to become blocked, I understand that it's quite possible for a third party to arrange for unblocking of that device, if required.

The remaining points and evidence Mr B has provided don't persuade me that Astrenska unreasonably turned down his claim because they don't change the position regarding his password and how it might have become compromised.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint against Astrenska Insurance Limited trading as Collinson Insurance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 April 2024.

Lale Hussein-Venn
Ombudsman