

## **The complaint**

Mrs C complains that Starr International (Europe) Limited turned down a claim she made on her mobile phone insurance policy. My references to Starr include its agents.

## **What happened**

Mrs C has mobile phone insurance with Starr. On 27 January 2024 Mrs C made a claim saying her phone had been lost or stolen while she was on a bus on 22 January 2024. Mrs C told Starr she tried to call her phone but there was no answer and she tried to locate her phone using the 'find my iPhone' tracking service but she couldn't see her phone.

Starr asked Mrs C to provide information as part of its assessment of her claim. Its final response letter to her said:

- The changes of status on 'find my iPhone' suggested the phone was still in Mrs C's possession after she said it was lost or stolen.
- Mrs C said she'd told her phone network provider her phone was lost on 22 January 2024. As at 3 April 2024 the phone still wasn't blocked by the network provider and the phone's IMEI (International Mobile Equipment Identity) number wasn't showing as blocked on the shared mobile phone networks' blacklist.
- Due to the discrepancies it didn't accept the claim.

Mrs C complained to us. Our Investigator set out to Mrs C additional information Starr provided about its concerns about her claim. Mrs C had provided messages between herself and the phone manufacturer which showed her phone had been located through 'find my iPhone' with links to show Mrs C where her phone was, but she hadn't recovered the phone. Our Investigator said Starr had fairly turned down the claim.

Mrs C disagrees and wants an Ombudsman's decision. She said:

- She reported her phone as stolen to the phone network provider within 24 hours of the phone being lost or stolen. She couldn't be blamed for the network provider failing to act. The network provider wrote to her apologising for not blocking the phone until April 2024.
- She sent Starr the screenshot with the messages showing where her phone was hoping Starr would be able to track and recover her phone as she was 'miles away' from the phone. She believed that proper tracking of the phone would prove it was stolen.

Before I made a decision I asked Mrs C for some further information. During the claim assessment she'd told Starr that she was vulnerable and over 60 years old, so I asked for some information about her vulnerability. I also asked to see the letter Mrs C said she

received from the network provider where it apologised about its delay in blocking her phone.

Mrs C said she should have told Starr she was almost 60 years old. She didn't give any information about why she was vulnerable. She provided an email from the network provider to her confirming it had barred the phone in January 2024. She couldn't access the network provider's letter of apology about its delay in barring the phone.

### **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 relevant industry rules and guidance say Starr must deal with claims promptly and fairly and not unreasonably reject a claim.

The policy includes cover for loss and theft of a phone. But when Starr assessed Mrs C's claim it referred her to the following policy terms:

*"Section 11.*

*The insurer's right to cancel:*

*(i) The insurer may cancel your policy immediately:*

*(b) where there is evidence of dishonesty or deceitful behaviour by you (or by someone acting on your behalf) in relation to the cover provided under this policy".*

And:

*"Section 13.*

*General Conditions*

*You must respond honestly to any request for information we make when you take out cover under this policy or apply to amend your cover under this policy. In the event that any statement of fact you make is untrue or misleading, this may affect the validity of your policy, any claims previously paid by us, and whether it is possible for you to make a subsequent claim".*

Starr declined Mrs C's claim as it had several concerns about the claim.

Starr says the phone still wasn't barred over two months after Mrs C says her phone went missing. Mrs C has provided us with an email she received from the network provider dated 23 January 2024 which says:

*"We've suspended your SIM for...We've also barred your device – so it can't be used. To order a replacement SIM, get in touch".*

I haven't seen the letter from the network provider to Mrs C apologising that it didn't block her phone until April 2024. But I think it's email to her is enough evidence to show that just after she lost the phone she contacted the network provider to block the phone. I don't think Starr could fairly decline the claim on the basis that Mrs C didn't ask the network provider to block the phone in a reasonable timescale.

Mrs C sent Starr screenshots between herself and the phone manufacturer giving the location of her phone which are dated 29 January 2024, so after Mrs C said the phone had

been lost or stolen. I don't think those screenshots prove one way or another whether Mrs C still had the phone at that time. Starr hasn't been clear about what steps it reasonably thought Mrs C should take to retrieve the phone from that location if she didn't have it. Equally it wasn't Starr's role to track the phone to decide if the phone was stolen. I don't think Starr could fairly decline the claim on the basis that Mrs C didn't retrieve her phone when told its location.

But the main reason Starr declined the claim was because of the circumstances around the changing 'find my iPhone' status for the phone after Mrs C says she lost the phone. On 29 January 2024 Starr did a search for Mrs C's phone on a widely used theft and fraud prevention system. Starr found that the 'find my iPhone' on the phone was active and had been reported as 'lost', that is gone into 'lost mode'. When Starr repeated the search on 6 February 2024 the status of 'find my iPhone' had changed from being active and in lost mode to showing "*This device is not currently active on the (phone manufacturer's) Find My iPhone service*". Starr has provided screenshots which supports what it says it found.

Starr's evidence is that the phone having the 'find my iPhone' activated and lost mode enabled then the 'find my iPhone' being disabled, which all happened after Mrs C said the phone had been lost or stolen, could only have been done with the phone. And as the phone was linked to her iCloud, security settings would need to be input for that to be done. So Starr concluded it was likely the phone was still in Mrs C's possession and she made the changes to the 'find my iPhone'.

Mrs C emailed Starr during its assessment of the claim saying the difference in the two screenshots was a result of her using two different phones since her phone was stolen. The first phone she borrowed wasn't working well and when she tried again on a newer phone it gave updated information. But I don't think Mrs C's comments explain how the changes in the 'find my iPhone' status happened without her having the phone she says was lost or stolen, which Starr says is the only way the status can change in these circumstances.

Mrs C hasn't provided any evidence to persuade me that Starr's evidence about the changes to 'find my iPhone' is wrong. If her phone was lost or stolen and used by someone other than Mrs C it's not clear to me how that person would have access to the security information required to make the above changes to 'find my iPhone' on her phone. That means I think the changes to the activation must have been done by Mrs C or someone who she'd given all the relevant security details to. So I think Starr reasonably decided the evidence showed the phone was likely to still be in Mrs C's possession and there was a discrepancy in what Mrs C had told it about her claim for the phone being lost or stolen.

Starr told Mrs C it wouldn't accept the claim because of the discrepancy around the 'find my iPhone' changes. It told Mrs C that it thought information had been '*deliberately provided to mislead*' it, but I've seen no evidence that Starr told Mrs C it had voided her policy (as if the policy never existed). So it seems to me that Starr isn't saying that Mrs C made a fraudulent claim. But for there to be cover for the claim it needs to fall within one of the insured incidents set out in her policy. And the onus is on Mrs C as the policyholder to show her claim falls within one of those insured incidents.

Mrs C told Starr she was vulnerable and needed a lot of help with her claim. She hasn't given any information about why she considers herself to be vulnerable. The regulator, the Financial Conduct Authority (FCA), gives guidance for firms on the fair treatment of vulnerable customers. In summary the guidance emphasises that businesses should respond flexibly to the needs of customers with characteristics of vulnerability. I think Starr reasonably asked Mrs C for the information it requested and explained to her its concerns about the claim so that she could provide evidence to try to address those concerns. So I think Starr responded to Mrs C's request to help her with her claim. The guidance and

FCA's Consumer Duty requirements don't necessarily mean that an insurer has to pay a claim where the consumer is vulnerable.

Mrs C's claim is for a lost or stolen phone and I think the evidence raises some clear questions as to whether her phone was lost or stolen in the way she describes. I'm not persuaded Mrs C's showed Starr that an insured incident covered by her policy took place. So I think it was fair and reasonable of Starr to turn down the claim.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 30 January 2025.

Nicola Sisk  
**Ombudsman**