

The complaint

Mr E has complained that Collinson Insurance Services Limited trading as Astrenska unreasonably rejected his claim for a lost or stolen mobile phone.

What happened

Mr E was abroad on holiday and lost his mobile phone at a club on 23 November 2024. He then made a claim to Collinson.

Collinson required proof of usage which Mr E sent in. However, then there was an issue with the usage proof showing his phone had been used on 24 November which was the day after he had lost his phone. This took some time to work out. Finally, Mr E's network provider said it's possible that further usage can happen when, for example, a text was received to the phone. Collinson accepted this.

Collinson then made a further check and discovered that Mr E had removed his lost phone from his cloud account so effectively took it out of 'lost' mode. This then permits anyone who now had Mr E's phone to have full access to it. And it further meant Mr E wasn't taking reasonable precautions to protect his device. On this basis Collinson declined to pay Mr E's claim.

Mr E complained but Collinson wouldn't change its stance. So, he brought his complaint to us. The investigator was of the view that Collinson hadn't done anything wrong and he didn't think Mr E's complaint should be upheld.

Mr E disagreed, so his complaint has been passed to me to decide.

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'm not upholding this complaint. I do understand and appreciate that Mr E will be very disappointed, so I'll now explain why.

I agree with Mr E, that he was put to some considerable trouble by Collinson to sort out the proof of usage issue. However, Collinson did eventually accept what his network explained could happen once a phone was lost or stolen. Also given the level of fraud sadly experienced in mobile phone thefts, I don't consider it's unreasonable for Collinson to have been particular to ensure the correct evidence as to usage was forwarded by Mr E, here.

I don't consider Collinson did anything wrong in making a final check on the status of Mr E's phone by checking its 'lost' status before making its decision to pay his claim. This was around 15 January 2025. Sadly, when Collinson did this, it found Mr E had removed his phone from his cloud account which effectively cancelled the 'lost' status and removed all

the protections that putting a phone into 'lost' mode confers. So as Collinson then concluded that Mr E had invalidated his claim, it declined to pay it.

Putting a phone into 'lost' mode is something that is required by virtually all mobile phone insurers before they will consider a claim. This protects the phone from unauthorised use by anyone else, so essentially locking it.

Mr E said he was receiving all sorts of pop up messages on his cloud account which meant other people were trying to gain access to his account. He had other devices linked to this account including his children's devices. And he felt it was only a matter of time before his cloud account would be hacked into. Therefore, he felt he had no option but to remove this phone from his cloud account. He said he did this after having an online chat with his phone manufacturers. I'll come back to this issue further below.

As the investigator detailed, Collinson's requirements for the policy to cover Mr E's claim says the following:

'My device has been lost or stolen – what should I do?

If your device is lost or stolen, follow these steps right away:

- 1. Put your device in Lost Mode if it's an Apple device (see instructions in this article).*
- 2. Report the loss or theft to the police and get a crime reference number.*
- 3. Submit an insurance claim through your Raylo Account.'*

So, in order to submit a successful claim, Collinson requires that the phone needs to be put into 'lost' mode. I don't consider that's onerous or unreasonable. From our own enquiries, we're satisfied that unless someone has access to the security details, it is extremely unlikely that they could hack into the cloud account provided the phone remains in 'lost' mode. Removing the protection that 'lost' mode gives, makes the phone far more vulnerable. Collinson also wanted some evidence to show Mr E's cloud account was being hacked. Mr E couldn't provide this as he merely had pop up notifications of the attempts of someone trying to access his cloud account.

Mr E said he was advised by his phone manufacturers during his online chat to remove his phone from his cloud account. But I haven't seen that evidence. I do know that his phone manufacturers routinely advises their mobile phone users to put their phone in 'lost' mode. I have however seen evidence from Mr E's phone manufacturers in an online chat explaining to Mr E that he could change his password to his cloud account, which would then re-secure it more robustly. If Mr E had done this, when he started to receive these pop up messages, then I consider there would have been no need to remove this phone from his cloud account before Collinson had completed its claims verification. I don't consider the re-setting of passwords to re-secure accounts to include his cloud account is unusual or not known about generally. It tends to be advised routinely to ensure password security is regularly refreshed. Further the policy requires Mr E to take reasonable precautions to protect his mobile phone.

As the investigator detailed, his policy said the following:

'Reasonable precautions shall mean all measures that would be deemed appropriate to expect a person to take in the circumstances to prevent loss, accidental damage or theft of your gadget(s), for example: having your gadget(s) in a suitable case, ensuring all standard security measures including PIN and Passwords are utilised

and are set to a number other than default or sequential/multiple characters, having your gadget(s) with you whilst playing sport or near open water.'

So, to conclude, I appreciate Mr E might have had a longer claims experience over the usage issue than normal. But I don't consider Collinson was wrong to refuse to pay Mr E's claim, given he removed the phone from his cloud account, as that essentially removed all the phone protection his policy required, in order to pay his claim.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 13 October 2025.

Rona Doyle
Ombudsman