

The complaint

Mr Y has complained that Astrensko Insurance Limited unfairly and unreasonably declined to deal with his claim under his mobile phone insurance policy when his phone had broken down.

Mr Y is represented by his wife Mrs H but I shall just refer to Mr Y throughout for ease of reference.

What happened

Mr Y made a claim to Astrensko on 9 October 2024 as his mobile phone wasn't working properly as when anyone phoned him, his phone didn't ring. Astrensko duly accepted Mr Y's claim and he paid his excess. Astrensko then required Mr Y to send in his phone so it could repair it. Astrensko instructed that Mr Y needed to do this via the postal system.

Sadly the phone was never delivered by the postal system to Astrensko. When Mr Y made enquiries, the postal system explained it could only offer £150 under this pre-paid delivery system it had with Astrensko and that Astrensko needed to apply for that.

Astrensko then saw that on Mr Y's postal receipt that the weight of the package was only 21g when it should have been 221g. So on this basis it decided to decline Mr Y's claim for fraud and cancelled his policy.

Mr Y complained but Astrensko wouldn't change its stance. So Mr Y brought his complaint to us. The investigator was of the view that as there was no explanation of how the postal system input the weight in order to show that what the receipt indicated was accurate, it could have been a simple human error. So she didn't think it was reasonable for Astrensko to rely on that to decline Mr Y's claim. Otherwise having checked the tracking information on the receipt the investigator was satisfied that the receipt matched Mr Y's evidence of sending his phone in to be repaired.

So the investigator was of the view the complaint should be upheld and that Astrensko should provide Mr Y with a replacement phone. It should also pay Mr Y £200 compensation.

Astrensko didn't agree. It maintained the weight issue of the package was crucial and that we or Mr Y hadn't provided any evidence about how the weight is inputted to the postal receipt. So it wished for an ombudsman's decision.

I issued a provisional decision on 14 November, and I said the following:

'Having done so, I'm upholding this complaint and I'm intending to provide further redress to Mr Y than the investigator suggested. I'll now explain why.

When Mr Y made his claim and Astrensko decided to accept it, having satisfied itself the phone was owned by Mr Y and any other information required to verify his claim, Mr Y then paid his excess. It's obvious given Mr Y's phone required a repair, instead

of being lost or stolen, that Astrenskas would require the phone in order to repair it, or if it couldn't repair it then replace it in accordance with the policy terms. I don't consider that it's very likely that Mr Y would have paid his excess and then simply not sent the phone to Astrenskas in those circumstances, as Astrenskas are now claiming.

Furthermore, and most importantly Mr Y produced the postal receipt. He can't obtain a postal receipt without giving the postal service something to deliver to a properly verified address too. I understand it was a pre-paid option that Astrenskas provided for him, although Astrenskas file with almost all of the documents undated is not that clear on the matter, but the postal receipt doesn't mention any cost Mr Y might have paid, which further indicates it was most likely a pre-paid option. In any event, there appears to be no dispute that Mr Y was given instructions on how to send his phone through the postal system by Astrenskas and indeed that he followed them, as he was given the postal receipt.

I don't consider there is any merit in Astrenskas assumption that because the package only weighed 21g, the postal service would have discarded the delivery, since it only looked like it contained paperwork, and so then just didn't bother to deliver it to Astrenskas as Astrenskas elaborated so strongly in its letters to us of 20 and 23 June 2025. The postal service routinely delivers packages which only contain paperwork, often very important paperwork too, and indeed furthermore it's under a legal duty to do so, consequently this hypothesis put forward by Astrenskas has no merit at all in my opinion.

Turning to the issue of the weight of the package being listed at 21g and not 221g, on the postal receipt, it's not for either Mr Y or indeed this service to provide evidence from the postal service as to how the weight of any package is entered on the postal receipt. Astrenskas decided Mr Y had to use the postal service, most likely through a pre-paid option, so it was up to it to provide this evidence, if it wanted to rely on this premise. And it simply didn't do so. I don't find that at all persuasive of its argument consequently.

Given the weight should have read 221g according to Astrenskas, I consider it was most likely a human error in the post office that the second number '2' before the number '1' was simply missed out. I don't consider there is any dispute that when sending anything through the postal system for which you require a postal receipt, the operator must input a considerable amount of data into the machine to produce the receipt. It's eminently possible this manual input concerns the weight of the package as well. Therefore I think it's highly possible and indeed more than likely on the balance of possibilities, that this was simply a mistake made by the post office counter staff and nothing more. More so, because a weight was actually recorded on the receipt in any event.

As Astrenskas are aware the investigator entered the tracking information into the postal system website. That showed the postal system had Mr Y's parcel but simply failed to deliver it. Since Astrenskas wished for Mr Y to use this system of delivery, and it's highly likely to have been a pre-paid service, I agree with the investigator that once Mr Y can prove he sent the parcel (which he has) then the fact it was never delivered becomes Astrenskas's responsibility and not Mr Y's. Mr Y said that the postal service told him it was only insured for £150 'under a prepaid label' too, which makes it a questionable requirement by Astrenskas given the retail cost of the make and model of Mr Y's phone being considerably more than £150. Furthermore, Mr Y was told by the postal service that it had no relationship with him only with Astrenskas for the purposes of this delivery, so not even that £150 was available to him, but it seems it's available to Astrenskas instead.

I also don't consider it was fair and reasonable to state that the reason it was declining his claim was due to Mr Y being fraudulent. Fraud has a high bar even under civil evidential rules and I consider Astrenskas has not demonstrated any evidence of fraud on Mr Y's behalf. He owned his phone under a contract with his phone provider, and he can prove that, and he provided Astrenskas with a proper post service receipt which was capable of showing tracking information when the investigator tracked it. Therefore, I can see no evidence of fraud on Mr Y's behalf here. This caused Mr Y considerable upset on this basis alone, so I consider the compensation suggested by the investigator of £200 to be in line with our approach to compensation more fully detailed on our website. Therefore I consider it fair and reasonable.

Consequently, I don't consider it was fair and reasonable for Astrenskas to refused to deal with Mr Y's claim. And I consider it must now replace his phone under the remaining terms of the policy, given the postal service lost his phone. If, and only if Mr Y wishes, it should also reinstate his policy as if there has been no break in cover. However since Mr Y had no phone to insure he also has no premium payments to make up either. Astrenskas on accepting his claim in the first place were obviously satisfied his premium payments were up to date at that stage. So therefore if Mr Y doesn't wish to continue with this policy he has no further premium payments to make. Further, Astrenskas should remove any note of this policy being cancelled from all internal and external databases also.

This matter has been going on for some considerable time given Mr Y made his claim in October 2024. His contract with his phone provider runs from March 2024 for a minimum of 24 months so it has not expired yet. Throughout all of this time since the end of October 2024 when he sent his phone in, Mr Y said he has had to pay his phone provider £60 a month for a phone he does not have. Given I don't find any merit in Astrenskas's refusal of his claim given its chosen service for delivery failed to deliver the phone, I consider Astrenskas should pay some of these costs to Mr Y. I'm not aware if he has replaced his phone presumably on another contract, but it remains he has to pay his phone provider £60 a month until March 2026.

Therefore I intend to require Astrenskas to refund Mr Y this payment to his phone provider from 1 December 2024 to the date it pays him. This allows Astrenskas a month to have repaired or replaced his phone under the policy. This is of course subject to proof from Mr Y from his bank statements that these payments have been made. If they have been made then Astrenskas will also be required to pay interest on those monthly payments too.'

Both Mr Y and Astrenskas agreed with my provisional decision.

Mr Y is pulling together his statements to show he has continued to pay his phone provider for his phone.

Astrenskas asked if I could confirm 'when the backdate of phone contract amount should be backdated to.'

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.

Given both parties agreed to my provisional decision there is no reason for me to change it.

I explained that Astrenská should repay Mr Y his payments to his mobile phone provider from 1 December 2024 to the date it refunds him. That means if Mr Y can show he made the payments to his mobile phone provider from 1 December 2024 then Astrenská should refund those payments to Mr Y as I've directed below with interest.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint. I now require Astrenská Insurance Limited to do the following:

- Replace Mr Y's phone under the remaining terms and conditions of the policy.
- Remove any note of the cancellation of this policy from all internal and external databases.
- If and only if Mr Y wishes, reinstate his cover under this policy with no break in cover.
- Pay Mr Y the sum of £200 compensation for the distress, inconvenience and upset it caused.
- Refund Mr Y's payments to his phone provider for this phone from 1 December 2024 to the date it refunds him on proof from Mr Y that he has made these payments. Adding interest of 8% simple per year from 1 December 2024 to the date of refund. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr Y for HMRC purposes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 23 December 2025.

Rona Doyle
Ombudsman