

The complaint

Mr H complains that Astrenska Insurance Limited, has unfairly declined his claim for a smart watch.

Any reference to Astrenska also includes its agents.

What happened

Mr H has an insurance policy which covers the loss of or accidental damage to his personal possessions. This is provided by Astrenska. Mr H was wearing his smart watch during a swimming session but says it then stopped working. He took it to the manufacturer's store, but they could not restore power to the watch. On the report provided, it states that the proposed resolution would be a replacement at a cost in excess of £500. Mr H made a claim to Astrenska.

Astrenska refused Mr H's claim for the damage. It said that the report didn't confirm the cause of the issue and stated there were no visible signs of damage. Astrenska said, as there isn't any other evidence of what caused the watch to stop working, the watch must have stopped working due to a mechanical or electrical fault, which is excluded under the policy terms.

Mr H was unhappy with this outcome and complained to Astrenska. He said that the manufacturer told him that the cost to find out the reason for the fault would be the same as the replacement. He didn't think it was fair to ask him to pay the same as the replacement price to find out the reason for the fault. Astrenska didn't change its stance and so Mr H brought his complaint to our service.

An Investigator looked into the matter. She didn't think that Astrenska had acted unfairly when declining the claim. She noted that there wasn't any sign of physical damage. She also noted that the watch was described as water resistant. As there wasn't any other known cause for the damage, she didn't think it was unreasonable to suggest the watch experienced an electrical or mechanical fault.

As no agreement could be reached, the matter 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.

Both parties are fully aware of the circumstances surrounding this complaint and so I've only provided a summary above. But it is important to point out that we are an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the complaint rather than commenting on every issue or point made. This isn't intended as a discourtesy to Mr H. Rather it reflects the informal nature of our service, its remit and my role in it.

Policy terms and conditions

Astrenska has declined Mr H's claim and has referred to an exclusion under the policy which states it doesn't provide cover for mechanical or electrical faults.

Mr H's policy provides cover for his personal possessions. Under the policy terms it states it covers the following:

"Accidental loss of or accidental damage to, malicious damage to or theft of issued kit, temporary issued kit and/or personal possessions."

Certain terms under the policy are defined separately. The policy defines accidental damage as:

"Sudden and unexpected event causing damage, occurring at a specific time and caused by external means."

Under the section titled "General exclusions" which apply to all sections of the policy, there is the following exclusion:

"The cost of repairing or replacing any item following a mechanical or electrical fault or breakdown, and/or where it has failed or stopped working despite there being no apparent damage."

I think the above information makes it clear that, for a claim for accidental damage to be covered by the policy, there needs to be damage caused by external means. And there isn't cover for mechanical or electrical faults, or where an item just stops working without any damage.

Is Astrenska's decision to decline the claim fair and reasonable?

In insurance the claim process is generally broken down into two phases. The first phase is for the policyholder (i.e. not the insurer) to "prove their claim". What this means is the policyholder must show that the damage or loss they're claiming for was caused by an insured event. Then if the insurer disagrees it is for them to disprove it or make a case that some exclusion or other reason applies.

If the policyholder can't do this their claim will fail at this phase and the insurer doesn't need to do anything further.

In this case, Mr H has explained that his watch stopped working following a swimming session. The policy does provide cover for accidental damage and so it falls to Mr H to show that the item has suffered accidental damage, as defined by the policy.

Mr H has provided a report from the manufacturer. This states the watch won't power on following a swim session. The report also states that there aren't any signs of physical damage to the watch.

Having looked at this report, there isn't any diagnosis detailed for the fault on the watch. So, it isn't clear what caused the watch to stop working. There isn't any obvious damage which could explain why it stopped functioning and Mr H hasn't reported any incident during his swim session which could explain the loss of power. Based on the evidence currently available I don't think there is enough to show that the watch has been damaged by external means.

I note Astrenska has gone on to decline the claim using the exclusion on the policy relating to mechanical or electrical faults. This is because it says there isn't evidence of damage, or any reported reason for why the watch has stopped working. I'm persuaded that this was a reasonable course of action in the circumstances.

Astrenska has advised Mr H that it will review the decision if further evidence can be provided to show what has caused the damage. Mr H said he was told that it would cost the same to get the problem diagnosed as it would for the watch to be replaced – so he doesn't think this is fair. I appreciate his comments here but as mentioned previously it is for him to show that the reason the watch is no longer working is one covered by the policy.

At present, I'm satisfied that there isn't enough to demonstrate that there has been accidental damage, as opposed to the watch failing to work due to a mechanical or electrical fault or breakdown. So, I think the decision to decline the claim is fair and reasonable. I don't require Astrenska to do anything further.

My final decision

As detailed above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 December 2025.

Jenny Giles
Ombudsman