

The complaint

Mr T has complained that Astrenska Insurance Limited trading as Collinson Insurance unreasonably refused to pay his claim under his gadget insurance, cancelled his policy and returned his premium paid.

What happened

Mr T took out gadget insurance with Astrenska on 24 March 2025. Three gadgets were stolen from Mr T in a violent incident, so Mr T made a claim to Astrenska in May 2025.

During Astrenska's investigation, it discovered that Mr T didn't meet the eligibility requirements of the policy. Mr T had said he was a permanent resident of the UK on his application, but this wasn't the case.

Given this policy doesn't provide cover to any non-permanent residents in the UK, Astrenska declined Mr T's claim, cancelled his policy and refunded the premium payments he had paid.

Mr T thought this was unfair, as although he hadn't applied for settled status at the time he bought his policy or made his claim, he was entitled to do so. And successfully did so immediately afterwards. As Astrenska wouldn't change its stance Mr T brought his complaint to us. The investigator didn't think Astrenska had done anything wrong.

Mr T remained dissatisfied 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 T will be very disappointed, so I'll now explain why.

I am also very aware that the theft of Mr T's gadgets was an extremely distressing event being targeted by three people and made to hand over the gadgets and some cash, which I can only imagine was both very distressing and frightening for Mr T.

However, insurers are entitled by the regulations under which they operate by the Financial Conduct Authority (FCA), to decide what risks they want to cover and what risks they don't want to cover. This is part of their commercial discretion. Astrenska therefore are quite entitled to limit their policyholders to those with the appropriate residency status, as their policy required. There is no obligation on Astrenska to accept customers who don't meet its eligibility criteria under the regulations either.

So, I have no authority or remit to tell any insurer what risk they should insure or how they should insure that risk either. That means it's irrelevant what other gadget insurers might do

and whether they accept customers without this eligibility requirement. Again, I can't force any insurer to provide insurance for a situation, it specifically didn't want to insure.

These sorts of policies are also sold on what is called an 'unadvised basis' under the regulations. Therefore once the insurer details out the benefits and limitations of the policy, it's for the policyholder to decide for themselves, if this policy is right for their needs. No insurer, to include Astrenska, provides any advice on that. As I discuss below I consider Astrenska did detail out the policy limitations appropriately. So essentially, it remains it was for Mr T to ascertain whether this policy was right for him and his situation.

When Mr T was buying his policy Astrenska has shown me that the application form said the following:

'Now for the legal bit.

Eligibility to insure

By ticking this box I confirm I am a permanent UK resident and I am 18 or older:

- *A permanent UK resident means you live in the UK and are either a UK Citizen, or you have received the appropriate documents from the Home Office showing you can live, work and have settled in the UK permanently. Essentially, you are authorised to stay in the UK indefinitely and without the need to reapply to the Home Office for an extension.*
- *You must be 18 or over before purchasing this policy.*
- *Important Information By ticking this box I confirm that:*
 - *I have read and understood the terms and conditions of Insurance Product Information Document (IPID) and the sections "What's insured" and "What's not insured".*
 - *The insurance meets my demands and needs.*
 - *The gadget is in good working order and is not damaged in any way.*
 - *The gadget I wish to insure is under 36 months old.*
 - *I own the gadget(s) detailed above.*
 - *The gadget was purchased from a UK registered company with a warranty.*
 - *The gadget was bought in the UK.*
 - *I have read and understood the information above and declare the information provided in this application is correct and accurate.'*

The policy says the following:

'Eligibility for cover.

You can buy this policy provided that:

- a) *You are a permanent resident in the United Kingdom*
- b) *You are over the age of 18 at the time you bought this policy*
- c) *You own the gadget detailed on your certificate schedule.'*

I consider the application process was clear on the definition of the eligibility required to buy this policy. I also consider it was properly highlighted. That means it was for Mr T to answer the questions asked truthfully and honestly.

Sadly, Mr T wasn't a permanent resident in the UK at the time he bought the policy. His documentation from the Home Office showed he had 'pre-settled status' which is known as 'limited leave to remain', therefore he didn't have the required eligibility to buy this policy.

On this basis Astrenska said that Mr T didn't answer all the questions asked on the application form correctly. Therefore this was a 'qualifying misrepresentation' under The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). Given this and the fact that Astrenska has shown it wouldn't have accepted Mr T's application for this policy, CIDRA permits Astrenska to cancel Mr T's policy as if it never existed and because it understood he was merely careless in doing so, it returned all the premium he had paid it.

I consider Astrenska implemented the provisions of CIDRA correctly here. It's a fact that sadly Mr T wasn't eligible to buy this policy as even though he was entitled to 'settled status' as in 'indefinite leave to remain in the UK', he hadn't received it at the time he bought this policy or at the time of the theft of his gadgets and the time he made his claim.

To explain, under CIDRA, the consumer is required to answer all the questions asked on an insurance application form truthfully and honestly.

If the consumer provides an inaccurate answer to any question asked by the insurer, the insurer has to show whether that answer was what is called 'a qualifying misrepresentation'. So if the insurer would have done something differently had it known the correct answer to the relevant question, then it's a 'qualifying misrepresentation'. Astrenska has shown me that it simply wouldn't have offered Mr T any insurance had it known his residency status at the time.

When a consumer makes such a misrepresentation we also need to consider whether than misrepresentation was made innocently, carelessly, or deliberately and recklessly. Mr T was always aware he would need to apply for settled status before he was granted indefinite leave to remain, so I don't think his misrepresentation was innocent given the application and the policy clearly identified the residency requirements. There is no evidence that Mr T's incorrect answer was either deliberate or reckless either, more so as he applied for settled status once Astrenska had explained the matter. Therefore I consider it was reasonable for Astrenska to decide Mr T's misrepresentation was 'careless'. This is further evidenced in Mr T's reply to the investigator's view, as he agrees it was most likely careless too.

CIDRA permits different remedies to the insurer dependant on the view of whether the misrepresentation was careless, or deliberate and reckless. If it's deemed deliberate and reckless, CIDRA permits the insurer to cancel the policy as if it never existed and keep all the premium payments the consumer made. If it's deemed careless, then the insurer should return all the premium payment the consumer made along with cancelling the policy as it never existed. Astrenska did return all of Mr T's premium payments when it cancelled Mr T's policy. So I consider it has dealt with CIDRA fairly and proportionately too. Again I've no remit or authority to tell any insurer including Astrenska, that it should ignore this legislation either.

So, whilst I appreciate Mr T will remain very understandably disappointed, there is nothing to show that Astrenska has done anything wrong here.

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 T to accept or reject my decision before 30 April 2026.

Rona Doyle
Ombudsman