

The complaint

Mr A has complained that Astrenska Insurance Limited trading as Collinson Insurance have declined his claim for a lost phone.

What happened

Mr A says he lost his phone around 10.30 on the morning of 7 August when taking his car to the garage.

He reported his phone lost to his network provider and usage was blocked on the same day at 11.24.

Mr A logged a claim online with Astrenska on 7 August at 21.23 and this claim was acknowledged the following morning by e mail.

In the acknowledgment at 9.21 on 8 August, Astrenska asked Mr A to provide screenshot evidence from his iCloud account to prove that he had placed the phone in lost mode, and a proof of usage document from his network provider.

Mr A provided some information, but Astrenska declined the claim, saying that Find My Iphone (FMI) was disabled at the time of the loss, and that meant that Mr A wasn't taking "reasonable precautions" to protect his device. They also said that Mr A hadn't provided any reasons for why it had been removed.

Mr A complained about this decision, but Astrenska didn't uphold the complaint so he brought his complaint to us

One of our investigators has looked into Mr A's complaint and she thought that Astrenska acted fairly in declining the claim.

Mr A was unhappy with this, and so the matter has come 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.

I'm not upholding this complaint, and I will explain why below.

The terms of the policy say that cover is not provided for

“any claim where all reasonable precautions have not been taken or where your gadget(s) has not been used in accordance with the manufacturers instructions”

“Reasonable precautions” is defined in the policy as

“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.”

Astrenska say that having FMI activated is a “reasonable precaution” within the terms of the policy and so they expect it to be activated at the time of loss. FMI can be considered to be a security feature on an iPhone, so I think it is fair and reasonable to expect customers to have it activated.

Astrenska initially declined the claim as they said Mr A had deactivated FMI prior to loss. However, the evidence they have provided doesn’t support this. They have provided screenshots showing that FMI was active at policy inception, and also at 21.23 on 7 August - which was the evening of the day on which it was lost. So, it is more than likely that FMI was still active at the time of loss earlier in the day.

I have asked Astrenska several times to explain why they are saying their evidence shows FMI was inactive on 7 August, but they haven’t been able to provide a reply. Mr A has also asked them, and their inability to respond has caused some of the miscommunication and frustration in this case.

So I’m satisfied that Mr A has complied with the policy terms this far in respect of taking reasonable precautions.

However, the evidence does show that when Astrenska checked the FMI status again at 09.18 on 8 August - the day after the loss - it had been deactivated and then it was reactivated again on 10 August. Given that this can only be done on the device itself, and only Mr A would have been able to unlock the device on 8 August, Astrenska have asked Mr A about this and he hasn’t been able to provide an explanation. They have said that this is a further reason for the decline of the claim.

Mr A has argued that as he had removed the phone from his iCloud it is possible that someone has found it, registered it on their own iCloud account and changed the FMI status on the phone. He has also questioned the reliability of the evidence provided by Astrenska. I haven’t seen any evidence of either of these points, and so I’m satisfied that Astrenska’s reasoning here is fair.

The second issue relates to the activation of the lost mode. Astrenska sent an e mail to Mr A at 8.54 on 8 August asking him to provide a screenshot showing that his phone was in lost mode and a document with proof of last usage from his network provider.

Astrenska say that putting the phone in lost mode is also a “reasonable precaution” under the terms of the policy. Mr A has provided a screenshot showing that his phone was in lost mode, and he also provided the document showing when the last usage was before it was blocked.

However, although Mr A had activated the lost mode, the phone battery was dead and the phone was showing as “offline” in his iCloud account. A device needs an internet connection before it can initiate the lost mode and as the battery was dead, it wasn’t connected to the internet and lost mode was ineffective.

So again I'm satisfied that up until this point, Mr A had done what was asked of him by Astrenska, had put his phone in lost mode, and provided the requested evidence.

However, Mr A remotely wiped his lost phone and removed it from his iCloud account on 10 August which meant that lost mode would never be activated even if the phone connected to the internet.

I asked Mr A why he did this shortly after his phone had been lost. He said that he did it because the phone was lost, it's protected, the network had barred the number, and the insurance company terms and conditions don't say that he needs to keep his account on the phone until settlement.

I don't agree with this reasoning. While the phone was locked, and still associated with Mr A's iCloud account, it wouldn't have been possible for anyone else to unlock it and use the device. It is also possible through lost mode to display a message on the screen for anyone who finds it.

So if someone had found the phone and charged it, the lost mode would have been activated. And so I think that by removing the phone from his iCloud account shortly after the loss, Mr A removed the chance of lost mode being activated – so I think that it's fair of Astrenska to say that Mr A wasn't taking all reasonable precautions.

Mr A has also provided evidence of Apple's insurance policy terms and definitions and asked me to take these into account. However, I can only look at whether Astrenska have fairly applied their own terms, and I am satisfied that they have done so here.

My final decision

My decision is that I'm not upholding Mr A's complaint and so Astrenska Insurance Limited trading as Collinson Insurance don't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 April 2024.

Joanne Ward
Ombudsman