

## **The complaint**

Mr A complains that Astrenska Insurance Limited unfairly declined a claim he made under his cycle insurance policy.

Astrenska is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Astrenska has accepted it is accountable for the actions of the agents, in my decision, any reference to Astrenska includes the actions of the agents.

## **What happened**

In February 2023, Mr A made a claim under his cycle insurance policy with Astrenska. He said his e-bike was stolen from him in a park.

Astrenska asked Mr A for some documentation to support his claim, including proof of ownership for the bike and a police report. After Mr A provided these, Astrenska asked some questions and for further documentation.

After considering the information Mr A provided, Astrenska informed him it had turned down his claim, making reference to the fraud condition in the policy.

Mr A complained to Astrenska, who maintained its position. So, Mr A asked our service to consider the matter.

Our investigator didn't think Mr A's complaint should be upheld. She thought Astrenska's decision to decline Mr A's claim was fair and reasonable.

Mr A disagreed with our investigator's outcome. He said that once the claim was about to be settled, Astrenska had twisted everything and refused it. He said he'd ordered a bike before the claim was settled because he was recovering from an accident and couldn't wait ages for them to settle his claim. He also commented that it wasn't his first time in the park, it was his daily routine. So, the 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've decided not to uphold Mr A's complaint. I'll explain why.

In declining Mr A's claim, Astrenska has referred to the following policy condition:

*"If you or anyone acting on your behalf knowingly commit a fraudulent act or submit a fraudulent document or make a fraudulent statement or exaggerate any claim made under this insurance, we will not pay the claim and cover under this and all other insurances currently in force with us with which you are connected will cease immediately. You will not be entitled to any refund of premium under any policy."*

*We will process your claim under the terms and conditions of this insurance based on the first reason notified to us for the claim. If your claim is not covered and you then submit a claim having changed the circumstances of the loss or damage we consider this as fraud. Details of all such cases will be passed to appropriate agencies for action."*

It's important to explain it isn't for me to decide whether Mr A acted fraudulently. Instead, I've needed to consider if Astrenska's decision to invoke the fraud condition in this case was reasonable.

In order for an insurer to fairly invoke the fraud condition in an insurance policy, the insurer needs to show it is more likely than not that the condition was breached.

I can see that Mr A raised concerns with Astrenska about the length of time it was taking to process his claim around two weeks after he made it. Astrenska told Mr A it would be in touch about a settlement shortly. The next day it asked Mr A for some further information and documentation.

The following day, Astrenska told Mr A it would be providing him with a voucher for a new bike and sent him a link to pay his excess. Mr A said he wanted a cash settlement as he'd already purchased a bike and Astrenska asked him to provide an invoice for it.

The terms of the policy say that Astrenska will "*repair, replace or pay for your cycle*" in the event it is stolen or damaged. I think it was reasonable for Astrenska to have asked Mr A for evidence when he told it he'd purchased a new bike before the claim had been settled. I acknowledge what Mr A has said about not being able to wait ages for the claim to be settled as he was recovering from an accident. However, he'd only made his claim around two weeks before.

Astrenska says the invoice Mr A provided for the replacement bike was modified. When it spoke to Mr A, he said he'd cancelled his order and had purchased a bike from a different retailer. Astrenska asked him to provide evidence of this purchase. It also asked him to send a bank statement to show proof of purchase for the original bike he'd bought in September 2022 and a bank statement for the replacement bike. Astrenska asked Mr A to explain why the invoice he'd previously sent was modified and there were different figures for the order total and grand total.

I don't think it was unreasonable for Astrenska to have asked Mr A for further information when the document he'd provided to show he'd ordered a new bike appeared to have been modified. Mr A says the reason the "*order total*" was more than £1,000 less than the "*grand total*" was because he'd used gift vouchers from friends towards his purchase. However, there's nothing on the document to show gift vouchers were used. The only payment method showing on the invoice is a bank card.

Mr A told Astrenska the payment for his original bike had been made from a friend's bank account and Mr A had given him cash for it. Mr A was no longer in contact with the friend. The proof of payment Mr A provided for the new bike he purchased was from an account in another person's name. Mr A told Astrenska that he'd used his friend's credit account to buy the bike.

Based on what I've seen, I don't think it was unreasonable for Astrenska to have reached the conclusion that Mr A's claim was likely to be fraudulent.

Mr A wasn't able to provide evidence that he'd paid for his original bike. The invoice (for almost £3,000) was in his own name, but he says the payment was made from a friend's

bank account and he was no longer in contact with them. I can't say it was unreasonable for Astrenska to have had concerns about this.

There is also evidence to suggest that Mr A provided a modified document in an attempt to evidence his purchase of a replacement bike. And I don't think he's given a satisfactory explanation regarding the difference in figures on it.

Having reviewed the information provided in this case, I'm satisfied Astrenska conducted a fair and reasonable review of the claim and didn't act unreasonably in saying the fraud condition was breached – in light of the evidence it received.

### **My final decision**

For the reasons I've explained, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 September 2023.

Anne Muscroft  
**Ombudsman**