

The complaint

Miss T complains about the settlement she's been paid by Inter Partner Assistance SA (IPA) for a claim she made on a travel insurance policy.

Miss T's represented by Mr T.

What happened

Miss T was abroad and was due to fly back to the UK on 9 June 2022. Upon arrival at the airport, she learned that her return flight had been cancelled due to adverse weather. And the airline couldn't offer her a new flight until 11 June 2022. So Miss T booked a new flight with a different airline and travelled back to the UK. She made a claim on her policy for the costs of the new flight, an unused train ticket and food costs.

Initially, IPA indicated that it would settle Miss T's claim. However, it ultimately concluded that the costs Miss T had incurred weren't covered under any section of the policy. So it didn't agree to pay them. But it accepted that if Miss T had waited for a return flight with her original airline, she would've been delayed abroad until 11 June 2022. So it paid her delayed departure benefit of £80, which represented four 12 hour periods of delay.

IPA also accepted that there'd been mistakes in the way it had handled the claim and in the information it had given and sent to Miss T's representative. So it paid Miss T a total of £75 compensation to recognise the trouble and upset this had caused her.

Miss T was unhappy with IPA's settlement and so Mr T asked us to look into her complaint.

Our investigator thought that as IPA had paid Miss T delayed departure benefit, she'd need to make a new complaint to IPA about the fact that the settlement didn't include the costs she'd incurred as a result of the flight cancellation.

Mr T disagreed on Miss T's behalf.

I issued a provisional decision on 3 August 2023, which explained the reasons why I thought IPA had settled Miss T's claim fairly. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Miss T's policy and the circumstances of her claim, to decide whether I think IPA treated her fairly.'

I've first considered the policy terms and conditions, as these form the basis of Miss T's contract with IPA. I appreciate that Miss T's return flight was cancelled. So I can understand why Miss T feels that her claim should be met under the cancellation section of the policy.'

However, cancellation cover only applies if a trip itself has to be cancelled for one of a specific list of defined 'insured events'. In this case, Miss T's trip itself wasn't cancelled – she'd had the majority of her holiday and it was her return flight which was cancelled. And in any event, cancellation of a flight by a carrier due to bad weather isn't something which IPA

has chosen to cover under the cancellation section of the policy. So I don't think it was unfair or unreasonable for IPA to conclude that Miss T's claim wasn't covered under the cancellation provisions of the contract.

Having looked carefully at the remaining sections of the policy, it seems to me that the only applicable head of cover is Section H – Delayed Departure. This provides the following cover:

'If you have arrived at the terminal and have checked in, or attempted to check in for your prebooked flight, sea crossing, international coach or international train journey from or to the United Kingdom...and it is:

- 1. Delayed for more than 12 hours beyond the intended departure time.*
- 2. Is cancelled before or after the scheduled time of departure as a result of any of the following events:*
 - a. Strike or industrial action.*
 - b. Adverse weather conditions.*
 - c. Mechanical breakdown of or a technical fault occurring in the public transport on which you are booked to travel.*

We will pay you:

- 1. £20 for the first completed 12 hours delay and £20 for each full 12 hours delay after that, up to a maximum of £200 (which is meant to help you pay for telephone calls made and meals and refreshments purchased during the delay) provided you eventually travel.'*

There's no dispute that Miss T's original return flight was cancelled by the airline due to bad weather. It appears that she may have been able to return to the UK on the following day.

However, the evidence I've seen indicates that IPA calculated benefit in line with the delay Miss T would likely have experienced had she waited until her original airline could offer a new return flight. This was a period of around 48 hours from her original planned departure time. In my view, this was a fair and reasonable position for IPA to take. And as IPA paid Miss T a total of £80 delayed departure benefit, representing four lots of 12 hour periods of delay, I currently think it settled the claim correctly, in line with the policy terms.

Section H also includes abandonment cover if departure is delayed by more than 12 hours, but this only applies if the delay happens on the outbound journey from the UK. As the delay happened on Miss T's inward journey, I don't think it was unfair for IPA to conclude that Miss T's claim didn't fall within the abandonment provisions. And even if it had, Miss T's additional costs wouldn't have been covered under this section of the policy either.

In my view, IPA has clearly set out the insured events it's chosen to cover within the contract terms. I appreciate Miss T had to incur additional costs through no fault of her own. But there's simply no cover under the policy terms for those costs, or for the cost of her unused train ticket. I currently think IPA has fairly settled the claim in line with the Delayed Departure section of the policy and has paid benefit representing the period of delay Miss T would've encountered had she not made her own arrangements. Delayed departure benefit is partly intended to pay for a policyholder's food and meal costs.

I appreciate that during the claims process, Miss T was wrongly informed by IPA that her claim would be paid. I don't doubt how disappointing it was for Miss T when she learned that the costs she'd claimed for weren't covered. But Miss T had already incurred those costs some weeks prior to being given incorrect information by IPA. So I don't think this

misinformation led Miss T to take any actions she wouldn't otherwise have done in terms of her return to the UK, or to pay any costs she wouldn't otherwise have incurred. This means I don't think IPA's misinformation caused Miss T to lose out financially.

Nonetheless, it's clear that IPA didn't properly manage Miss T's expectations about her claim and it also made errors in assessing the claim and in communicating with her. IPA accepts that it didn't handle the claim as well as it should have done. So it's paid Miss T £75 compensation to reflect this. In my view, this is a fair, proportionate and appropriate award to represent the likely impact I think IPA's actions had on Miss T. And it's in line with what I'd have been likely to award in the circumstances.

Mr T has since raised concerns about the sale of policies which don't cover cancellation and onward travel on the return journey. This policy was sold by a broker – it wasn't sold directly by IPA. So if Miss T feels that the policy was mis-sold to her, she'd need to complain to the relevant broker before we could potentially look into any mis-sale complaint. And I'd add that while Miss T may be unhappy that IPA's policy didn't cover this situation, we can't tell an insurer what risks it should and shouldn't cover. I'm satisfied the policy terms made the available cover clear and that IPA assessed the claim in line with those terms.

Overall, whilst I sympathise with Miss T's position, as I understand she's been left out of pocket due to circumstances beyond her control, I currently find that IPA has settled her claim fairly. So I'm not planning to direct it to pay anything more.'

I asked both parties to provide me with any further evidence or comments they wanted me to consider.

IPA accepted my provisional decision.

Miss T didn't respond by either of the deadlines we gave.

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, as neither party has provided any additional evidence or comments for me to consider, I see no reason to change my provisional findings.

So my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 17 October 2023.

Lisa Barham
Ombudsman