

The complaint

Mr O and Ms T complain about the settlement amount paid by Inter Partner Assistance SA ('IPA') under their travel insurance claim.

What happened

Mr O and Ms T held single trip travel insurance cover with IPA. Whilst abroad, their return flight to the UK was cancelled because of strike action by air traffic control. That meant they had to remain abroad longer than they had intended, and they had to pay for their hotel, travelling to another airport, and their return flight to the UK. They wanted IPA to cover their costs.

IPA paid Mr O and Ms T £160 for the delays. Mr O and Ms T complained about this settlement amount, and were also unhappy with IPA's handling of their claim.

IPA maintained that the settlement amount paid was correct. However, it paid Mr O and Ms T a further £100 as compensation for its handling of the claim. Unhappy with this, Mr O and Ms T brought a complaint to this Service.

Our investigator didn't recommend the complaint be upheld. He thought IPA's settlement was correct and in line with the policy terms. He agreed with Mr O and Ms T that IPA had taken too long to deal with the claim, and noted they said they'd been led to believe their claim would be covered in full. However, he thought the compensation paid by IPA for its handling of the claim was reasonable.

Mr O and Ms T didn't accept our investigator's findings, and so the matter has been passed to me to consider.

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've read the policy terms and I see that IPA does offer optional cover for travel disruption (section Q). This pays up to £2,000 for reasonable additional travel and accommodation costs if alternative arrangements need to be made to return to the UK, because of public transport (which includes aircraft) being cancelled. If Mr O and Ms T held this cover, a claim could potentially be paid under this section. However, I've checked Mr O and Ms T's policy schedule, and this optional cover wasn't taken out.

The only cover therefore available for this situation within the policy is under delayed departure (section H). This says that if you have checked in, or attempted to check in for your flight, and it is cancelled due to strike or industrial action, then IPA will pay benefit.

The benefit amount payable is:

‘£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.’

I understand Mr O and Ms T experienced a 48-hour delay before they could return to the UK, which meant they were entitled to £80 each. I’m therefore satisfied the settlement amount paid by IPA was correct. Though Mr O and Ms T have since told this Service they didn’t actually attempt to check in for their flight. If IPA had looked into this when assessing the claim, Mr O and Ms T may not have been entitled to any payment.

Mr O and Ms T also complain about IPA’s handling of the claim. They made their claim in November 2022 and it took until February 2023 for this to be settled, which I agree was too long. I also understand they were initially advised by IPA that their costs would be covered in full. As our investigator has explained, IPA hasn’t been able to find this call, but if that’s correct, then I can appreciate why Mr O and Ms T would have been upset to learn their costs wouldn’t be reimbursed. Finally, Mr O and Ms T say they were promised a call back from a supervisor, but this didn’t happen.

IPA has paid Mr O and Ms T £100 compensation for its poor handling of their claim. I think this amount was reasonable and reflects the level of impact caused to Mr O and Ms T by the matter.

My final 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 Mr O and Ms T to accept or reject my decision before 3 October 2023.

Chantelle Hurn-Ryan
Ombudsman