

The complaint

Mr C and Miss G complain that Inter Partner Assistance SA (IPA) hasn't paid a curtailment claim they made on their travel insurance policy.

What happened

On 27 September 2020, Mr C and Miss G took out a single trip travel insurance policy through a broker, which was underwritten by IPA. The policy was taken out to cover a package holiday Mr C and Miss G had booked through a travel provider I'll call J. Mr C and Miss G planned to travel between 30 September and 10 October 2020. They flew abroad as planned.

However, shortly after their arrival at their destination, Mr C tested positive for Covid-19. Therefore, Mr C and Miss G had to move to and self-isolate in a government quarantine hotel abroad. They were repatriated back to the UK on 17 October 2020. As they'd been unable to make use of the last eight days of their 10-day planned trip, they made a curtailment claim on their travel insurance policy for their unused costs.

IPA told Mr C and Miss G that it required a breakdown of the package holiday costs from J before it could proceed with their claim.

But J told Mr C and Miss G that it wasn't able to provide such a breakdown, although it did confirm that Mr C and Miss G's trip had had to be cut short and what the total cost of the holiday had been. IPA maintained that it couldn't proceed with the claim until it received a full cost breakdown from J and that indeed, the policy terms required Mr C and Miss J to provide necessary claims evidence. It said though that there was no time limit on providing this information.

Mr C and Miss G were unhappy with IPA's decision and they asked us to look into their complaint.

Our investigator didn't think that IPA had treated Mr C and Miss G unfairly. She was satisfied that the policy terms required Mr C and Miss G with evidence to support their claim. And she felt IPA's evidence request was reasonable.

I issued a provisional decision on 30 June 2022. In my provisional decision, I explained the reasons why I didn't think IPA had treated Mr C and Miss G 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 Mr C and Miss G's policy and the circumstances of their claim, to decide whether IPA treated them fairly.'

I've first considered the policy terms, as these form the basis of the contract between IPA and Mr C and Miss G. The 'cancellation or cutting short a trip' section of the policy says IPA provides the following cover:

'We will pay you up to the amount shown in the table of benefits for your proportion only of your irrecoverable unused travel and accommodation costs and other pre paid charges if you have to cancel or cut short your trip...'

IPA has set out what it means by 'cut short' as follows:

'Either:

- a) you cutting short the trip after you leave your home by direct early return to your home.*
- b) you attending a hospital after you leave your home as an in-patient or being confined to your accommodation due to compulsory quarantine on the orders of a medical practitioner, in either case for more than 24 hours.*

Claims will be calculated on the number of nights of your trip you missed due to your early return or the number of nights which you were hospitalised, quarantined or confined to your accommodation.'

The 'cancellation or cutting short your trip' section also includes a list of things which IPA has specifically excluded from cover. One of these is:

'Any claim where you have been unable to evidence your loss, please refer to the claims evidence section.'

IPA doesn't appear to dispute that Mr C and Miss G had to cut short their planned trip due to Mr C's diagnosis with Covid-19 and consequent quarantine in a government hotel. It seems to me then that IPA hasn't suggested that Mr C and Miss G's claim wouldn't otherwise be covered under the curtailment cover provided by the policy. Instead, it appears that the reason IPA hasn't settled this claim is because it considers that Mr C and Miss G haven't provided enough evidence to prove their financial loss.

I've thought very carefully about this. Having looked closely at the 'exclusions and conditions' section of the policy, I accept that the contract states that IPA may not pay a claim if a policyholder doesn't provide all of the information it may reasonably require. And given that Mr C and Miss G haven't been able to provide a breakdown of each of the costs for the component parts of their package holiday, I appreciate that strictly, they haven't been able to provide all of the information IPA has told them it requires.

However, I can depart from a strict interpretation of the policy terms if I feel their application produces an unfair result. And that's the case here. It's clear that Mr C and Miss G have made reasonable attempts to request the information IPA requires from J. But J has confirmed, in writing, that it's unable to provide them with such a breakdown. What J has confirmed is that the holiday was curtailed and the total price of the holiday - £834.

It seems to me that there's little more evidence that Mr C and Miss G will ever be able to provide in support of what seems to be an otherwise valid claim. They're entirely reliant on J, which has told them that it can't provide this information. I think this leaves them in an unfair position and unable to recover a loss which, on the face of things, appears to form a valid claim. So in my view, given Mr C and Miss G are claiming for eight lost days of their 10 day trip, it seems that the fairest outcome here is for IPA to reassess their claim for 8/10ths of their costs.

To be clear, I'm not intending to direct IPA to pay any specific amount as part of this decision. But I think IPA does have enough information readily available to allow it to accept and reassess this claim and to consider which, if any, of Mr C and Miss G's curtailment costs are covered by the policy terms. So currently, I don't find that IPA has treated Mr C and Miss

G fairly. And I plan to conclude that IPA must reassess Mr C and Miss G's curtailment claim taking into account 8/10ths of their trip costs.'

I asked both parties to send me any further information they wanted me to consider.

Both IPA and Mr C and Miss G accepted my provisional decision.

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 both parties have accepted my provisional findings, I see no reason to change them.

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 uphold this complaint.

I direct Inter Partner Assistance SA to accept and reassess Mr C and Miss G's claim - taking into account 8/10ths of their trip cost – in line with the policy terms and conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Miss G to accept or reject my decision before 30 August 2022.

Lisa Barham
Ombudsman