

## **The complaint**

Mrs D and the estate of Mr D have complained about the service provided by Inter Partner Assistance (SA) (IPA) when handling a travel insurance claim.

## **What happened**

I'm not going to go into a great deal of detail in this section, as both Mrs D and IPA know what happened and it's not in dispute. I should also say I'm considering what happened after IPA issued their final response letter on Mrs D's complaint, as Mrs D wanted us to consider this and IPA agreed with our investigator that we could do so.

Mr and Mrs D took out a single-trip travel insurance policy, underwritten by IPA, to cover their trip abroad from 14 to 21 March 2022. On 17 March Mr D suffered a medical emergency and was admitted to hospital. Mrs D contacted IPA on 18 March to tell them she wanted to claim and required their assistance. Mr D's treatment continued until he was discharged on 25 March. But, sadly, he died later that day.

Mrs D returned home and complained to IPA about the way it had handled the claim. IPA issued their final response letter on the complaint on 21 June 2022. It acknowledged it had handled the claim badly and offered Mrs D £400 in compensation for distress and inconvenience. They also reimbursed the interest Mrs D had incurred on her credit card up to this point, as a result of them not settling the claim in a reasonable time.

In their final response letter IPA asked Mrs D to provide some further information and it also said it would only pay the additional cost of one family member flying out to support Mrs D, rather than paying for the two who had done so.

As Mrs D wasn't happy with IPA's response to the complaint she referred it to us and raised numerous issues, which our investigator set out in his view on the complaint. I've considered these, but I am not going to list them all again in this decision.

In August 2022 IPA made a further settlement payment to Mrs D, but she pointed out it wasn't for the full amount of the hospital bill or the additional accommodation. IPA accepted they had made an error and made a further payment to cover part of the shortfall. And they asked for further evidence to show their payment for the hospital bill was incorrect. Mrs D provided her credit card statement, but IPA still wouldn't pay the additional amount. Mrs D queried this and IPA finally agreed to pay the extra amount.

One of our investigators considered the complaint. He concluded that IPA had provided a very poor level of service both before and after their final response letter. He didn't think the £400 they paid in compensation was enough for the distress and inconvenience Mrs D had experienced. He said IPA should pay a further £600. He also recommended that IPA pay any further interest Mrs D had incurred on her credit card as a result of IPA not having settled the claim in full at the point they paid out for the interest she'd incurred.

Mrs D has asked for an ombudsman's decision. She doesn't think the compensation suggested by our investigator is enough to compensate her and her late husband for

everything they went through. She's said the episode has made her whole family upset and angry. She's also mentioned how she thinks IPA have 'got away with it so to speak'.

IPA don't agree either. They've asked for evidence of what the further payment of credit card interest should be. And they've said they think the £400 they've already paid in compensation fairly reflects the impact of their failings in this case.

### **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 agree with our investigator's view that IPA should pay the additional credit card interest Mrs D incurred, plus a further £600 in compensation for distress and inconvenience.

I'm very sorry to hear about what happened to Mr D and I can see how upsetting the whole episode must have been for Mrs D and her family. But, as our investigator explained, it's not our role to punish financial businesses for providing a poor level of service. This means it's not a matter of whether IPA have 'got away with it'. It's about whether the compensation awarded is appropriate to compensate Mrs D for the distress and inconvenience she experienced as a result of the poor service provided by IPA. The award is also not intended to compensate the estate or Mrs D's wider family. This is because technically an estate cannot experience distress and inconvenience and Mrs D's family are not eligible complainants, as they were not customers of IPA.

Mrs D clearly went through a very distressing experience. And, whatever the level of service provided by IPA was, it was always going to be a very difficult time for her. But the compensation is to reflect the fact that the poor service provided by IPA, which was very clearly documented by our investigator and is not disputed by IPA, made her situation worse.

IPA have argued that the £400 they've already paid is enough to reflect this, but I don't think it is. The service they provided at the outset was poor, as they caused unnecessary delays, which left Mrs D feeling unsupported and concerned about the financial implications of her situation. She also would have been very concerned about Mr D's condition and the stress the uncertainty due to IPA's failings was having on this. To compound all of this IPA took far too long to finally settle the claim. And – even when they finally agreed to do so – they didn't get it right and this led to further unnecessary distress and inconvenience for Mrs D.

No amount of compensation is going to seem adequate for Mrs D, because of the terrible experience she had. But – as I've already said - I don't think £400 is anywhere near enough. The level of distress and inconvenience was substantial and IPA and Mrs D may find it helpful to look at our note on awards for distress and inconvenience on our website, where they will see the range of awards we usually make where customers experience substantial distress and inconvenience. The amounts mentioned are not set guidelines or limits, but what we tend to think might be appropriate in different circumstances. If I award a further £600 it will mean Mrs D will receive £1,000 compensation in total and this is in line with the sort of awards we make for substantial distress and inconvenience. And I think it does represent a fair and reasonable outcome to the main part of this complaint. I appreciate Mrs D doesn't think it is enough, but I have to decide what I think is appropriate and I'm satisfied £1,000 in total is.

I've also considered IPA's view that a further £600 is too much, but I've explained above why I don't agree with them.

I'm a little surprised by IPA's response to our investigator's recommendations about additional credit card interest. I say this because I think our investigator made it clear in his recommendations that they are entitled to ask Mrs D for evidence of the amount involved. The investigator said the following:

*Pay Mrs D an amount to cover the cost of any interest that was charged to her credit card on transactions that were part of her claim.*

- *This should be calculated by considering the interest that was charged to Mrs D's credit card account, on relevant transactions, after the period IPA's previous payment relates to.*
- *IPA is entitled to ask Mrs D to provide it with any further credit card statements that it needs to calculate the amount of interest she incurred on the relevant transactions.*

So I think it should have been clear from this that the investigator was only asking IPA to pay an amount to cover the further interest Mrs D had incurred since their previous payment on any amounts she was unable to clear because of the underpayments on her claim. For example, with the hospital fees, IPA paid £110.42 less than they should have done and £458.01 less for the hotel bill. That's £568.43 in total. This means if Mrs D had this amount left on her credit card, she'd have incurred interest on it. IPA's previous payment of interest didn't cover this.

So it seems fair to me, that IPA should pay Mrs D an amount to cover the interest she incurred as a result of this, as she only incurred it due to the late payment of part of her claim by IPA. So, I see no reason to reach a different view on this point to our investigator.

### **Putting things right**

For the reasons set out above I think as part of the fair and reasonable outcome to this complaint is for IPA to pay Mrs D a further £600 in compensation for distress and inconvenience.

I also think they should pay Mrs D an amount to cover the interest that was charged to her credit card account on any amount left on it after their previous payment for credit card interest due to the inadequate payments they made on Mrs D's claim. This is up to the point they actually made the extra payments to bring the settlement amount on her claim up to the right amount. This is subject to Mrs D providing evidence in the form of credit card statements to show the interest she incurred.

### **My final decision**

For the reasons set out above, I've decided to uphold Mrs D and the estate of Mr D's complaint about Inter Partner Assistance SA and I order them to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and the estate of Mr D to accept or reject my decision before 8 February 2023.

Robert Short  
**Ombudsman**