

The complaint

Mrs B and Mr B complain that Inter Partner Assistance SA (IPA) unfairly refused to provide a full payment for losses suffered. And which they said they were told they were covered for under their travel insurance policy.

For ease of reading I will only refer to Mrs B in my decision.

What happened

In November 2022 Mrs B took out an insurance policy with IPA to cover her for a planned holiday to Australia from 30 January 2023 to 12 March 2023 to visit family. On her arrival she found that 100 bags hadn't been loaded onto the aircraft, including her own. Mrs B said she was led to expect she'd get her baggage back within 24 hours.

As Mrs B hadn't received her baggage within the 24 hours and didn't know its whereabouts, she called IPA on 02 February 2023. Mrs B wanted to know what she needed to do. Mrs B said she was told she'd cover for baggage under her policy, up to £2,000 but she needed to provide proof of purchase. She was told to make the claim that day she needed the details of the amount she was claiming for. As Mrs B had only made some minimal purchases of clothing she didn't complete her claim. And she said based on what she was told she went on to purchase additional clothing to cover for her missing baggage. In total Mrs B spent \$1522 Australian Dollars (AUD) which converts to around £800. Mrs B got her baggage back on 06 February 2023 so around seven days late. Mrs B claimed for her outlay under her insurance policy.

IPA accepted the baggage was delayed for several days and settled the claim for the policy limit of £400. They said if Mrs B's baggage had been permanently lost they would have considered the full cost to the maximum value of the policy limit (£2,000). But Mrs B's baggage was only delayed and not lost, they said they'd settled the claim fairly.

Mrs B wasn't happy with IPA's response. She said she wouldn't have purchased the items except for the reassurance she was given when she called them. She'd rung the airport everyday for an update about her baggage as being without clothing for several days was very distressing. She wanted IPA to refund her the total amount she'd had to pay out. She referred her complaint to us.

Our investigator said IPA had applied the terms of Mrs B's policy fairly by settling the claim for the policy benefit of £400 for delayed baggage. But said IPA should pay Mrs B a further £200 for the distress and inconvenience that had been caused by IPA in failing to clarify the policy terms when she called. He said this had led Mrs B to spend \$1522 AUD in the understanding she would get this money back upon the settlement of her claim.

Mrs B didn't agree, she said it wasn't her fault her baggage was delayed. She didn't think it was fair that she'd the financial impact of having to buy replacement clothes as she hadn't planned to spend money on clothing during her holiday. She asked for an ombudsman 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 reached the same outcome as our investigator, I'll explain why.

I've considered the claim made by Ms B under her insurance policy. My decision about the settlement of the claim is based on the policy conditions and whether the settlement reached by IPA adhered to these. But I've also considered whether IPA in handling Mrs B's claim has acted fairly and reasonably in their actions with her.

Policy terms and conditions

The requirement to prove there is a valid claim under the contract is the responsibility of the policy holder. The travel insurance policy Mrs B had with IPA includes terms and conditions explaining what it will and won't cover. I've considered the policy wording. The section that applies to Mrs B's claim is "*Section 4 - Personal belongings and money*". And in the "*Table of Benefits*" under section four it clearly shows "*Baggage*", and the policy limits for claims about baggage. As Mrs B had taken out the Gold cover option the table of benefits showed for baggage IPA would pay up to £2,000.

But the policy goes on to quantify this benefit under single item, valuables, and delayed baggage. For delayed baggage it says:

"Delayed baggage if lost in transit during the outward journey and not returned to you within 12 hours (if the loss is permanent this will be deducted from your baggage allowance)"

And shows that IPA for a claim for delayed baggage under the Gold cover would pay up to £400.

I can understand it must have been upsetting for Mrs B to discover after her financial outlay that as her baggage was delayed not lost there was a limit to the benefit she'd receive. But it's clear from the policy document that there is a difference in the policy limit for delayed baggage and lost baggage. And I don't think it would be appropriate for me to ignore this and make IPA settle Mrs B's claim as a lost baggage claim as this wasn't what happened. So, I'm satisfied that Mrs B had a valid claim for delayed baggage not lost baggage. And IPA has settled the delayed baggage claim for the policy limit of £400.

Customer service

I've listened to the call Mrs B had with IPA on 02 February 2023. And although she uses the term "*lost*" on a couple of occasions it's clear from the conversation that the issue is that 100 bags hadn't been put on the flight. And that she was in regular contact with the airline for updates about her baggage. While IPA was correct in saying the policy limit for baggage was up to £2,000, they didn't go on to explain the other policy wording about single item, valuables or delayed baggage, and the policy limits for these.

In the call Mrs B had said she'd only made some minimal purchases whilst she was waiting to find out about her missing baggage. And I think it was being told that her policy covered her up to £2,000 that Mrs B was reassured that any further purchases would be covered by the policy. So, I can understand why she is frustrated by the adherence of the terms and

conditions of her policy. I think if Mrs B had been told that the policy limit was £400, she probably wouldn't have bought the items she did.

So while I agree that IPA has settled Mrs B's claim in line with the terms and conditions of her policy. I think IPA's poor customer service in failing to explain the policy terms and conditions when Mrs B sought their help has caused Mrs B distress and inconvenience.

Putting things right

My role is to make a fair and objective assessment of the impact IPA's actions had on Mrs B and to decide a fair and reasonable level of compensation. It isn't in the remit of this service to punish businesses for poor service. And I've taken into account that Mrs B did get her baggage back, and she has the benefit, whether she chooses to use them or not, of the purchases that she made. So, I think it's fair and reasonable for IPA to pay Mrs B £200 for the distress and inconvenience their poor customer service has caused.

My final decision

I uphold this complaint. And ask Inter Partner Assistance SA to pay Mrs B and Mr B £200 for the distress and inconvenience caused by their poor customer service.

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

Anne Scarr
Ombudsman