

he complaint

Miss B complains Inter Partner Assistance SA (IPA) settled her travel insurance claim unfairly.

What happened

In Autumn 2022 Miss B claimed against her IPA travel insurance policy for loss of a gadget. She says the insurer repeatedly delayed settling her claim by asking her to resend documents. She's explained when IPA eventually agreed to pay the claim, in December 2022, it refused to settle the claim based on what it had cost her to replace the item - £250. She says it instead based its settlement on a sale price - £200.

Miss B's unhappy as this has left her £50 out of pocket. She feels this is unfair as the sale price wasn't available when she replaced the item. Miss B's of the opinion IPA delayed the claim until the item was available on a deal. She says she tried to complain to IPA but it said there was nothing it could do. To resolve her complaint Miss B would like IPA to pay her the additional £50.

This service has made several requests for IPA to provide its evidence and response to the complaint. It acknowledged the request but failed to provide anything by an extended deadline. So our Investigator assessed the complaint using the information she did have.

She said in the absence of evidence to the contrary she was of the opinion IPA had settled the claim unfairly. She recommended it reimburse Miss B £50 with simple interest added to the settlement. Miss B accepted that outcome. IPA acknowledged the assessment. But as it failed to provide a response by the deadline set in the view, the complaint was passed to me 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.

First I'm satisfied by IPA's been made aware of Miss B's dissatisfaction, with it having had both a reasonable and the required time to provide a response.

Miss B's policy says IPA will 'replace' a gadget in the event of loss or theft. I've seen evidence she paid £250 to replace the gadgets she lost. I note IPA hasn't provided anything to explain why it feels it was fair for it to settle the claim based on a price of £200. It may have a reasonable explanation, but I haven't been given it. For example IPA hasn't provided any evidence to show the item was readily available for that cost or that the policy terms allow it to settle for less than Miss B paid. Without that, I can't say it 'replaced' the item as required by the policy. So on balance it failed to settle Miss B's claim fairly and in line with the policy.

To put things right IPA will need to pay Miss B £50. She's been unfairly without that amount because of its unfair settlement. To make up for that it will need to add simple interest at 8% from the date Miss B purchased the item (23 September 2022) to the date of settlement.

My final decision

For the reasons given above, Inter Partner Assistance SA is required to pay Miss B £50. It must apply simple interest to that - at 8% from 23 September 2022 to the date of settlement*.

**If IPA considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss B how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 20 December 2023.

Daniel Martin
Ombudsman