

The complaint

Miss W is unhappy that Inter Partner Assistance SA ('IPA') is only willing to pay a proportion of the claim made on her travel insurance policy.

What happened

Miss W has the benefit of an annual, multi-trip travel insurance policy underwritten by IPA ('the policy').

Miss W had booked and paid for two-nights' accommodation in the UK as a surprise birthday for her husband. She had planned to invite friends to the accommodation to stay and celebrate.

Unfortunately, several days before the intended stay at the accommodation, Miss W's husband required emergency surgery and was advised to rest at home thereafter. Miss W cancelled the accommodation. But due to the late cancellation, she was unable to recover most of the cost from the booking provider. She was out of pocket by around £3,000.

She made a claim on the policy for the accommodation being cancelled. The cancellation section of the policy has a financial limit of £2,000.

Relying on the terms of the policy, IPA said it would only consider Miss W's proportion of any irrecoverable unused accommodation costs. It calculated this to be around one sixteenth of the claimed amount on the basis that the accommodation had the potential to sleep 16 people.

To fully assess the claim, IPA said it required further evidence from Miss W including a medical report completed by her husband's GP whose medical condition gave rise to the claim (along with medical records for the last 12 months).

IPA also offered £100 for the delays in handling the claim.

Unhappy, Miss W complained to the Financial Ombudsman Service. Our investigator looked into what happened and upheld the complaint. She recommended IPA reassess the claim on the basis that Miss W's proportion of the cost of the accommodation was the entire cost of the accommodation paid by her.

IPA disagreed so this complaint has been passed to me to consider everything afresh 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.

IPA has an obligation to handle insurance claims promptly and fairly. And it mustn't unreasonably decline a claim.

The claim for irrecoverable accommodation costs

The cancellation section of the policy reflects:

We will pay you up to £2,000 for your proportion only of any irrecoverable unused travel and accommodation costs...and other pre-paid charges which you have paid or are contracted to pay, together with your proportion only of any reasonable additional travel expenses incurred if cancellation of the trip or one-way trip is necessary and unavoidable as a result of any of the following events:

1. The death, bodily injury, illness, disease, or complications of pregnancy of:
...Any person who you are travelling or have arranged to travel with...

I've seen email confirmation from the booking provider that the accommodation was cancelled a day before the stay. So, I'm satisfied the accommodation wasn't used, and only the cleaning fee was refunded – not the cost of the accommodation and service fee.

From what I've seen, I'm satisfied that Miss W paid for the accommodation from her own bank account and the booking looks like it was made in her name as the booking confirmation was sent to her email address.

Miss W says that she'd booked the accommodation as a surprise for her husband's birthday and had invited friends to celebrate for the weekend. I find what she says to be plausible and persuasive. And in the absence of any compelling evidence to the contrary, I accept what she says about that.

In the circumstances of this complaint, I'm satisfied that Miss W's proportion of the accommodation costs was the full amount she paid, and she personally incurred the full costs being claimed for. I've seen nothing which persuades me that she was expecting other guests who stayed at the accommodation to celebrate her husband's birthday to financially contribute to the cost of the accommodation. Nor am I persuaded that they have done or there was any obligation on anyone to do so.

As such, I'm satisfied that IPA hasn't acted fairly and reasonably by concluding that it would only consider covering a small proportion of the claimed amount.

When deciding this case, I've taken into account the points made by IPA including what it says about other guests maybe being able to claim on their travel insurance for a share of the accommodation. However, I'm satisfied this wasn't a financial loss anyone else suffered apart from Miss W – or an expense any guests were responsible for paying.

I've also thought about IPA's point that some of the intended guests might've contributed towards the cost of the accommodation by paying Miss W in cash. However, I've seen nothing to persuade me, on the balance of probabilities, that this did happen.

The service received

IPA accepts that it did cause claim delays. I accept this would've caused Miss W unnecessary inconvenience and the delays would've been frustrating. IPA has offered £100 compensation in recognition of this. I think that sum fairly reflects the distress and inconvenience Miss W experienced.

Putting things right

Within 21 days of IPA receiving the medical information it's requested from Miss W to complete its assessment of the claim, I direct it to reassess the claim in line with the remaining terms of the policy. That's on the basis that Miss W's proportion of the costs paid for the accommodation was the entire amount she paid for the booking (less the refund of the cleaning fee). The claim would also be subject to the financial limits of the cancellation section of the policy.

If it hasn't already done so, I also direct IPA to pay Miss W the £100 in compensation it's agreed to pay. This is to reflect the distress and inconvenience she experienced as a result of claim delays.

My final decision

I uphold Miss W's complaint and direct Inter Partner Assistance SA to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 13 February 2024.

David Curtis-Johnson
Ombudsman