

## **The complaint**

Miss R and Mr W complain about the way Inter Partner Assistance SA (IPA) has handled a medical expenses claim they made on a travel insurance policy.

As Miss R brought the complaint to us, for ease, I've referred mainly to her.

## **What happened**

Miss R was abroad with her family in May 2023. Unfortunately, Miss R's child became unwell and needed medical treatment. So following her child's treatment, Miss R made a medical expenses claim for the medical costs she'd incurred.

IPA took some months to assess Miss R's claim. So she made a complaint about the service she'd received. In mid-July 2023, IPA issued a final response to Miss R's complaint, explaining that her claim would be finalised as a matter of priority. It paid Miss R £150 compensation to reflect the delays Miss R had experienced.

IPA ultimately accepted Miss R's claim. But it didn't settle Miss R's expenses until 21 August 2023. Following the settlement, IPA issued another final response letter to Miss R which referred to her claim having been incorrectly declined. The response also told Miss R that IPA had deducted two excesses from the claim settlement because it had wrongly taken Mr W into account when it assessed the claim.

Remaining unhappy with IPA's handling of her claim, Miss R asked us to look into her complaint. While the complaint was with us, IPA paid Miss R a further £50 compensation to reflect the additional delay in its assessment of her claim between July and 21 August 2023. And it refunded one excess payment of £99.

Our investigator didn't think IPA had paid Miss R sufficient compensation to recognise the impact its handling of the claim had had on her. So he recommended that IPA should pay Miss R an additional £100- a total of £300 compensation.

While IPA accepted the investigator's recommendation, Miss R didn't think it was enough to put things right. So the complaint was passed to me to decide.

I asked IPA whether it would be prepared to pay interest on the claim settlement – both for the settlement it paid in August 2023 and on the excess amount it refunded following Miss R's second complaint. IPA has told us that it is prepared to pay interest on these amounts.

## **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 think the fair outcome to this complaint is for IPA to pay Miss R a total of £300 compensation (less any amount of compensation it's already paid), together with interest on the claim settlement. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. In this case, IPA already acknowledges that it made mistakes in its handling of Miss R's claim. There were delays in it requesting information; it failed to communicate with Miss R effectively and even after it told her in July 2023 that her claim would be prioritised, it took over a month more for the claim to be paid.

Additionally, IPA compounded these mistakes when it wrongly referred to Miss R's claim having been declined and when it told her two excesses had been deducted from the settlement.

It's clear that IPA's handling of the claim caused Miss R some avoidable trouble and upset. IPA's notes show that Miss R had become upset because of the delays she was experiencing and because of the lack of communication about the claim. And I don't doubt how worrying and frustrating it was for Miss R when IPA suggested that the claim had been declined and that an excess had also wrongly been applied for Mr W.

So in these circumstances, I agree with our investigator that a total award of £300 compensation (less any compensation amount IPA has already paid) is fair, reasonable and proportionate to put right IPA's failure to handle Miss R's claim promptly and fairly. While I appreciate Miss R feels she didn't receive adequate support from IPA, it doesn't seem that she asked for help from IPA's medical assistance team while her child was undergoing treatment. So I don't think it was in a position to assist Miss R or make any arrangements on her behalf while her child was receiving care. On that basis, I think a total award of £300 compensation is sufficient to reflect the likely impact I think IPA's claims handling failings had on Miss R. I was pleased to note that IPA accepted our investigator's recommendations on this point.

It's clear while the claim was under consideration, Miss R was without access to the money she'd paid for her child's medical care abroad. She's told us that this had a real impact on her finances. Given I think IPA should have settled the claim sooner than it did and given the apparent mistake in the excess it charged, I think it's fair for IPA to pay Miss R interest on the settlement to reflect the period she was deprived of the money she was entitled to. So I've decided that IPA must pay interest at an annual rate of 8% simple for the period 24 May until 21 August 2023 for the initial settlement amount and on the £99 excess from 24 May 2023 until the date it was ultimately refunded by IPA.

IPA has told us that it agrees to pay Miss R interest on the settlement as I've outlined above. IPA must include a breakdown of the interest calculation to Miss R to explain how it's reached the additional settlement amount.

### **My final decision**

For the reasons I've given above, my final decision is that I uphold this complaint.

I direct Inter Partner Assistance SA to:

- Pay Miss R and Mr W total compensation of £300 (less any compensation amount it's already paid); and
- Pay interest on the settlement at an annual rate of 8% simple from 24 May until 21 August 2023 for the initial settlement payment and pay interest at an annual rate of 8% simple on the £99 excess amount from 24 May 2023 until the date it was refunded.

If IPA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss R and Mr W how much it's taken off. It should also give Miss R and Mr W a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R and Mr W to accept or reject my decision before 7 March 2024.

Lisa Barham  
**Ombudsman**