

The complaint

Miss F complains about the way Inter Partner Assistance SA (IPA) has handled a medical expenses claim she made on a travel insurance policy.

Miss F's represented by Mrs M.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

Miss F was on holiday abroad in June 2023. Unfortunately, she was involved in an accident abroad and suffered a serious injury which required surgery. So a claim was made to IPA's medical assistance company.

IPA accepted Miss F's claim and it covered the cost of her repatriation back to the UK once she was fit to fly. Miss F claimed for a number of medical and other out of pocket expenses. IPA settled some of those costs in July 2023, together with hospital benefit, although it concluded that some of the things Miss F had claimed for weren't covered by the policy terms.

In August 2023, Mrs M made a claim for further costs Miss F had incurred, including care support at her home in the UK. However, IPA didn't respond to the second part of Miss F's claim and Mrs M had to contact IPA to chase things up. Ultimately, some of Miss F's outstanding costs were settled in November 2023 – although IPA concluded that any expenses Miss F had incurred in the UK weren't covered by the contract. But IPA recognised that there had been unreasonable delays in its handling of Miss F's claim and so it paid her £150 compensation. It also accepted that it had wrongly applied two excesses to Miss F's claim and so it refunded one of those amounts.

Miss F remained unhappy with IPA's handling of her claim and so Mrs M asked us to look into her complaint. She said Miss F had been told to send through all of her invoices so she'd understood that her UK costs would be covered. Mrs M added that two invoices from the time of Miss F's treatment abroad had remained unpaid and that reminder notices continued to be sent. She said Miss F was very concerned that this would impact on Miss F's ability to return to the country abroad. Mrs M told us that the handling of the claim had caused Miss F, a vulnerable consumer, significant trouble and upset, stress and anxiety.

Our investigator concluded that it had been fair for IPA to decline to cover the costs which Miss F had incurred in the UK. That's because he thought they were specifically excluded by the policy terms. And he didn't think IPA had led Miss F to believe those costs would be covered. However, he didn't think IPA had handled the claim in the way it should have done. He thought there'd been an unreasonable delay between IPA's receipt of Miss F's second list of expenses and the settlement. He also felt IPA had been aware that Miss F was a vulnerable consumer and that in the circumstances, it should have ensured that its communications were through Mrs M and one member of its staff. He considered too that IPA needed to ensure that the two outstanding invoices were settled.

So he didn't think the compensation IPA had already paid Miss F went far enough to recognise the impact of its claims handling errors on her. And therefore he recommended that IPA should pay Miss F an additional amount of £200 to reflect its mistakes up until the point it issued its final response to her complaint on 9 November 2023.

IPA accepted the investigator's recommendations but Miss F did not. In summary, Mrs M said that she and Miss F had reviewed our guidance on awards for distress and inconvenience. They considered that IPA's handling of the claim had caused Miss F severe distress and inconvenience. And they said IPA hadn't taken account of the fact that Miss F was a vulnerable consumer. Mrs M told us Miss F considered an award of £2000-2500 compensation would be fair in the circumstances.

The complaint's been 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.

Having done so, whilst I'm very sorry to disappoint Miss F, I think the fair outcome to this complaint is for IPA to pay her additional compensation of £200 and I'll explain why.

First, I'd like to reassure Miss F and Mrs M that whilst I've summarised the background to this complaint and their detailed submissions to us, I've carefully considered all they've said and sent us. I was very sorry to hear about Miss F's accident and the painful and upsetting injury she sustained. I was also sorry to hear about the difficult time she's been through.

The relevant regulator's rules say insurers must handle claims promptly and fairly. And the regulator's principles say that financial businesses must provide support which helps a consumer meet their needs. I've taken these rules into account, along with other relevant considerations, when deciding whether I think IPA treated Miss F fairly.

It seems to me that the key issues for me to decide are whether I think IPA settled Miss F's claim fairly. And whether it handled her claim fairly. I'll consider each point in turn.

Did IPA settle Miss F's claim fairly?

I've first considered the policy terms and conditions, as these form the basis of the contract between IPA and Miss F. As Miss F suffered an accident abroad and required medical treatment, I think it was reasonable and appropriate for IPA to consider her claim under Section Two – Medical emergency and repatriation expenses. I've set out below what I consider to be the key terms in this section:

'The purpose of this section is to help you if you require unforeseen emergency medical treatment whilst on a trip...

What is covered

We will pay you up to the amounts shown in the Table of Benefits for the following expenses which are necessarily incurred during a trip as a result of you suffering unforeseen injury due to an accident, illness, disease and/or compulsory quarantine:

- 1. Emergency medical, surgical, hospital, ambulance and medical fees and charges incurred outside of your home area...*

2. *Up to the amount shown in the Table of Benefits for every complete 24 hour period you are in hospital or confined to your accommodation on the advice of a medical practitioner...*
3. *Costs of telephone calls to and from the Emergency Medical Assistance Service notifying and dealing with the problem of which you are able to provide evidence.* 6. *The cost of taxi fares for your travel to or from hospital relating to your admission, discharge or attendance for outpatient treatment or appointments and/or for collection of medication prescribed for you...*
4. *With the prior authorisation of the Emergency Medical Assistance Service, the additional costs incurred in the use of air transport or other suitable means, including qualified attendants) to repatriate you to your home if it is medically necessary. These expenses will be for the identical class of travel utilised on the outward journey unless the Emergency Medical Assistance Service agree otherwise, if the Emergency Medical Assistance Service confirm an alternative method of travel is required this will only apply for the ill or injured insured person.*

...

What is not covered

Any expenses incurred after you have returned to your home area. (My emphasis added).

The policy also includes a list of general exclusions of risks which IPA has specifically chosen not to cover. One of these says that IPA doesn't cover:

'Any other loss, damage or additional expense following on from the event for which you are claiming, unless we provide cover under this insurance, this includes any claim for loss of enjoyment for any trip.'

In my view, the policy terms make it clear that IPA covers medical expenses incurred while a policyholder is on a trip. And that IPA doesn't cover any costs a policyholder incurs after they've returned to the UK. I also think the policy makes it clear that IPA only covers losses which are specifically set out in the contract.

I can see that Miss F claimed for a number of expenses she incurred after she'd been repatriated back to the UK. While I can entirely understand that she felt these costs were medically necessary and that she's required support since the accident, I simply don't think they were covered by the policy terms. And from the evidence I've seen, I don't think IPA explicitly informed Miss F that any UK-based costs would be covered. It seems IPA simply told Miss F to submit any invoices for submission when she made the second part of her claim. Therefore, I'm not persuaded it would be fair or reasonable for me to direct IPA to costs which it's chosen to specifically exclude from cover.

Did IPA handle the claim fairly?

Having considered the claims notes, I think that at the outset, IPA did take prompt steps to settle Miss F's initial medical expenses. I say that because the notes show Mrs M raised Miss F's concerns with IPA about her lack of access to funds. And I think the notes show that the initial claim was assessed and the first settlement was paid in a timely way.

However, IPA acknowledges that it went on to make mistakes in its handling of this claim. It appears that when Mrs M submitted the second part of Miss F's claim, in August 2023, it mistakenly treated these as a duplicate of the costs it had already settled. It's clear that Mrs

M had to chase IPA up to progress the matter. She's told us that Miss F had real financial concerns and the delays in settling the claim caused Miss F additional worry and upset.

I agree with our investigator that the delay between the second set of expenses being submitted and settlement of the claim being made in November 2023 was simply too long and unreasonable. It's unfortunate IPA wrongly deducted a second excess from the settlement, meaning Mrs M needed to get in touch with it to point out the error. I'm mindful too that given the medical disclosures Miss F had made to IPA when she took out the policy, it ought to have been on notice that she was a vulnerable consumer who might need additional support. And given Miss F's situation, I don't think it would have been unreasonable for IPA to ensure that claims contact was only made through Mrs M and potentially with one specific member of its claims team.

Additionally, despite assuring Miss F, Mrs M and this service that the two outstanding invoices would be paid as a matter of urgency – given they were issued many months ago – I've seen no evidence that IPA has paid either of the invoices. If IPA has paid the invoices, it doesn't seem to have provided Mrs M with the evidence to demonstrate this. Mrs M has consistently told us that the sending of reminder letters and notices from the two suppliers has caused Miss F additional unnecessary worry and upset.

So, I need to think about what I believe fair compensation should be. I must make it clear that our awards aren't intended to fine or punish the businesses we cover. And I also need to take into account that IPA wasn't responsible for Miss F's painful injury or for her physical recovery. Unfortunately, accidents of this nature will inevitably cause a consumer a great deal of trouble and upset. And it wouldn't be fair to hold IPA responsible for that.

In my view, total compensation of £350 (inclusive of the £150 IPA has already paid) is fair, reasonable and proportionate to take into account the broadly two and a half months of delay Miss F experienced between the submission of the second set of invoices and the settlement of that part of the claim. I also find it fairly takes into account the trouble and upset IPA caused Miss F by its failure to pay the outstanding invoices up until it issued its final response on 9 November 2023. I'm satisfied it reflects Miss F's time and inconvenience and I think it recognises that Miss F is a vulnerable consumer who needed further support.

I do understand that Mrs M and Miss F don't consider this award to be enough to reflect the impact of IPA's handling of the claim on Miss F. Mrs M has referred to Miss F's health and I was sorry to hear that she's still experiencing difficulties. But I haven't seen any medical evidence which shows IPA is responsible for any relapses or deterioration in Miss F's conditions. And therefore I don't think I could reasonably direct IPA to pay the level of compensation Miss F and Mrs M consider appropriate..

With that said, I would remind IPA of its regulatory obligations when dealing with Miss F's claim – including its obligation to provide support. If it hasn't done so, it should settle the outstanding invoices as a matter of urgency to reduce Miss F's understandable anxiety that she may experience difficulties in returning to the country the invoices were incurred in. If it fails to do so or if it fails to provide Mrs M with written evidence to show that the invoices have been settled, it's open to Mrs M to bring a new complaint to IPA on Miss F's about that particular issue. And if Miss F is unhappy with the outcome of any such complaint, we may be able to look into that issue alone.

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 F total compensation of £350 (less the £150 it's already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 25 June 2024.

Lisa Barham
Ombudsman