

## **The complaint**

Mr and Mrs B complain because Inter Partner Assistance SA ('IPA') said it could no longer provide cover for a holiday under their travel insurance policy.

All references to IPA include the agents appointed to handle policy enquires and claims on its behalf.

## **What happened**

Mr and Mrs B held a single trip travel insurance policy underwritten by IPA. The policy covered declared medical conditions, which included atrial fibrillation for Mr B.

In August 2023, Mr B contacted IPA to tell it he had booked a hospital appointment to discuss his concerns about non-routine medication he'd been prescribed for atrial fibrillation. The appointment was due to take place after Mr and Mrs B's upcoming holiday. IPA said it couldn't continue to cover Mr B unless his GP confirmed he was fit to travel, but Mr B's GP practice doesn't provide this confirmation to its patients. IPA therefore told Mr B he could either cancel his insurance policy and obtain a refund of his premiums or, alternatively, he could claim for the cost of cancelling his holiday. Mr and Mrs B cancelled their holiday and made a claim for the costs of doing so, which IPA paid.

Mr and Mrs B complained to IPA, seeking a refund of their policy premiums and compensation for the loss of their holiday. IPA agreed to return the policy excess which Mr and Mrs B had paid and gave them £100 compensation for its delays in dealing with their claim.

As Mr and Mrs B remained unhappy, they brought a complaint to the attention of our service. One of our investigators looked into what had happened and said she didn't think IPA had acted fairly and reasonably in the circumstances. She recommended that IPA should pay Mr and Mrs B an additional £200 compensation for the distress and inconvenience they experienced. Mr and Mrs B didn't agree with our investigator's opinion and IPA didn't respond. As no resolution was reached, the complaint was referred to me as the final stage in our process.

I made my provisional decision about Mr and Mrs B's complaint earlier this month. In it, I said:

*'A number of different businesses have corresponded with Mr and Mrs B about what happened. IPA, as the provider of this insurance policy, is the business with sole responsibility for Mr and Mrs B's complaint. The other businesses involved were acting as IPA's agents when giving information about the policy cover and when dealing with Mr and Mrs B's claim. So, anything these other businesses said or did is ultimately IPA's responsibility. Mr and Mrs B's claim was paid on behalf of IPA and the £100 compensation which Mr and Mrs B have already been sent was also paid on behalf of IPA.'*

*I've taken into account relevant industry rules and guidance when making this provisional decision.*

*Mr and Mrs B's insurance policy, like most travel insurance policies on the market, requires the policyholder to notify IPA if their health changes after buying the insurance. If this happens, IPA's underwriting criteria requires the policyholder to provide confirmation from a medical practitioner that they are fit to travel. However, I'm not persuaded that Mr B's health did change after buying this insurance.*

*I've seen evidence to show that Mr B arranged the hospital appointment himself because he had concerns about non-routine medication he'd been prescribed. This medication had been given to Mr B for use in an emergency and Mr B says he'd never taken it, but he wanted to discuss the suitability of the medication for him after researching it on the internet.*

*IPA says this means that Mr B had further treatment planned for his medical condition. However, I don't think it's fair to conclude that Mr B arranged the hospital appointment to discuss further treatment. Instead, I think Mr B arranged the hospital appointment to discuss his own concerns about his existing non-routine medication.*

*I'm not satisfied that the risk which IPA had agreed to insure under the original contract was significantly altered, or that it was fair or reasonable for IPA to consider Mr B's circumstances as constituting a change in his health.*

*For the avoidance of doubt, there's no suggestion that Mr B wasn't fit to travel. I've seen written evidence from Mr B's GP's practice stating that it does not provide confirmation of whether patients are fit to fly for insurance purposes. IPA incorrectly told Mr B that his GP said his medical conditions were 'unpredictable'. This wasn't the case. Based on the evidence I've seen, I'm satisfied that this was a misinterpretation of the situation by IPA rather than any deliberate attempt at dishonesty.*

*Overall, I don't think IPA acted fairly or reasonably in the circumstances when it told Mr B it could no longer cover his holiday. So now I'll turn to considering what I think IPA should do to put things right.*

*IPA paid Mr and Mrs B's claim for the cancellation of their holiday. I'm pleased to see that IPA refunded the excess as, were it not for IPA's error, this cancellation claim would never have been made under the policy.*

*I understand that Mr and Mrs B want a refund of the premiums they paid for the policy. Mr B has quoted an extract from our website setting out our general approach to cases where an insurer withdraws cover under a travel insurance policy. In cases like this we would generally expect an insurer to cover the cost of cancelling the holiday (as IPA has done here) but this doesn't extend to also offering a refund of the premium paid for the policy.*

*Industry rules allow IPA to retain the benefit of the premium for the risk it covered during the time the policy was in force, regardless of whether or not any claims were made. And, although I think the claim in this case only arose due to IPA's error, IPA did incur a financial cost in settling the claim so I'm satisfied that it's fairly entitled to keep the premiums it charged. One of IPA's agents said it had requested for a refund of the premiums to be sent to Mr and Mrs B, but this doesn't change my decision that it wouldn't be fair or reasonable in the circumstances to require IPA to do this.*

*However, I do think it would be fair and reasonable for IPA to pay compensation for the impact of its error on Mr and Mrs B.*

*Having taken into account our published guidance on the payment of compensation for distress and convenience, the award of compensation which Mr and Mrs B are seeking isn't*

*one which I'd consider appropriate in the circumstances. Awards in that region which are made by our service are generally for situations where a mistake has caused sustained distress or severe disruption to someone's life, typically lasting more than a year and potentially affecting someone's health. The cost of the holiday which Mr and Mrs B lost doesn't have any relevance to what I think the impact of IPA's mistake was on them, and I have no power to seek to punish or fine a business through an award of compensation.*

*I appreciate that travel insurance was mandatory for the trip which Mr and Mrs B were due to take and I understand Mr B had concerns that seeking alternative insurance cover may have cost more. But I think it would have been reasonable for Mr and Mrs B to have explored this option and attempt to minimise their own losses before making the decision to cancel their holiday. Based on my experience of dealing with complaints like this and my knowledge of the travel insurance market, I think it's likely that Mr and Mrs B would have been able to secure a different policy which allowed them to continue with their travel plans.*

*Having said that, I understand the trip Mr and Mrs B cancelled was for a special occasion which they were unable to celebrate previously due to Covid-19, and to a location which was of significance to them. I have no doubt that Mr and Mrs B will have been extremely disappointed, frustrated and upset by what happened, and I think this is clear from their correspondence with both IPA and our service.*

*Overall, I think it would be fair and reasonable in the circumstances for IPA to pay Mr and Mrs B £400 compensation for the distress and inconvenience they experienced. This is in addition to the £100 compensation which IPA has already paid.'*

IPA accepted my provisional decision. Mr and Mrs B responded to my provisional decision and said they feel the cost of the holiday they cancelled represents the true value of the enjoyment they were deprived of. Mr and Mrs B also said they didn't have the funds to attempt to source alternative travel insurance which might have allowed them to continue with their original trip.

### **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.

I've taken into account everything Mr and Mrs B have said. I'm sorry to disappoint them but I won't be changing my provisional decision.

I've already explained that the financial value of the holiday which Mr and Mrs B cancelled isn't relevant to what award of compensation for distress and inconvenience I think would be appropriate in the circumstances.

I haven't said that I think Mr and Mrs B should have booked a new cruise. But my decision remains that I think it would have been reasonable for Mr and Mrs B to have sought alternative insurance cover for the original cruise when IPA first said it could no longer cover the holiday in August 2023. I understand Mr and Mrs B say they had limited funds at this time but the cost of an alternative policy may not have been as prohibitive as Mr and Mrs B are suggesting, and I think it's an option they could have explored.

### **Putting things right**

Inter Partner Assistance SA needs to put things right by paying Mr and Mrs B £400 compensation for the distress and inconvenience they experienced. This is in addition to the £100 compensation which has already been paid.

Inter Partner Assistance SA must pay the compensation within 28 days of the date on which we tell it Mr and Mrs B accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

### **My final decision**

I'm upholding Mr and Mrs B's complaint about Inter Partner Assistance SA in part and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 26 August 2024.

Leah Nagle  
**Ombudsman**