

## **The complaint**

Mr and Mrs H complain that Inter Partner Assistance SA (IPA) declined their travel insurance claim and about its service. My references to IPA include its agents.

## **What happened**

Mr and Mrs H have travel insurance through a bank account. IPA is the insurer.

Unfortunately while Mr and Mrs H were driving their hire car on holiday abroad they collided with a metal post. The accident caused damage to the exterior of the car's right rear door, right rear door handle and the right rear wing. They had to pay about £3,000 in insurance excess to the car hire business. They claimed on their travel insurance under the 'Car hire excess' section of the policy to recoup some of the costs.

IPA declined the claim, it said the policy didn't cover the car parts damaged in the accident.

Mr and Mrs H complained to us. They detailed why they thought the policy wording did cover their claim up to the £3,000 limit. They said if IPA didn't think the policy covered the claim then the policy wording was unclear and mis-leading or the policy had been mis-sold.

As to IPA's service Mr and Mrs H said: IPA had wrongly returned their claim twice due to documents that weren't missing or weren't required; some of IPA's letters contained factual errors; they weren't able to discuss the reasons for the claim decline with IPA; IPA didn't notify them the first time the claim was declined and the second time their claim was declined they were told the reviewer agreed with the original decision but there was no reason why; IPA's claim handling had taken nearly 6 months and the numerous phone calls they made and letters they sent chasing the claim caused them significant distress and inconvenience. They want the claim paid.

Our Investigator asked IPA to send its file several times but IPA didn't respond so our Investigator considered the complaint on the available information. He said that given the policy wording IPA had unfairly declined the claim. He recommended IPA pay the claim up to the policy limit, plus interest and £200 compensation for Mr and Mrs H's distress and inconvenience caused by its poor service.

IPA didn't agree with the recommendation. It said the policy only provided cover for certain damage to the car. Although the list of what's covered by the policy is less than the £3,000 limit stated it shouldn't have to cover damage that isn't listed. It wants an Ombudsman's decision.

## **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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I think IPA unreasonably declined the claim and didn't handle the claim fairly. I'll explain why.

The policy says under the 'Car hire excess' section:

***'WHAT IS COVERED***

*If your hire vehicle is involved in an incident, we will reimburse you for the excess up to £3,000 including fees and taxes, for any single incident / during any one period of cover in total for amounts not covered under the collision damage waiver clause of your hire vehicle agreement but subject to the following:*

- 1. Up to £600 for damage to the roof of the hire vehicle;*
- 2. Up to £800 for damage to the windscreen, windows or sunroof glass of the hire vehicle;*
- 3. Up to £500 for damage to the undercarriage of the hire vehicle;*
- 4. Up to £100 for damage to each tyre that needs replacing or up to €50 for each tyre that can be repaired of the hire vehicle.*

***WHAT IS NOT COVERED...***

- 8. Damage to the hire vehicle interior;*
- 9. Mechanical failure of the hire vehicle;*
- 10. General wear and tear...*

So the policy covers up to £3,000 in total for amounts not covered under the collision damage waiver clause of a hire vehicle agreement. But IPA says the policy only covers damage to car parts listed at points 1 to 4 above, and as doors and wings of cars aren't in the list, the damage claimed for isn't covered.

Mr and Mrs H say IPA's interpretation of the policy wording doesn't make sense. The policy says it covers the excess up to £3,000, but the maximum claim amounts for the types of damage at points 1 to 4 only total £2,300. So they understood the policy wording meant there was cover for an insurance excess up to £3,000 and the amounts they could claim for the specific types of damage listed are limited to the amounts shown next to each type of damage.

IPA says it doesn't matter that the cover given in points 1 to 4 totals less than the £3,000 limit of cover. The issue is that points 1 to 4 list the only car parts' damage it covers.

I think the policy wording can reasonably be read as Mr and Mrs H have done. The cover for the listed car parts don't total the £3,000 cover given by the policy so I think the policy can reasonably be read to mean that within the overall cover limit of £3,000 there are inner limits for damage to the car parts listed at points 1 to 4.

If a policy term is unclear then generally I consider that it's fair to interpret the policy wording in favour of the consumer. I don't think the policy wording is clear enough that IPA will only cover damage to the car parts at points 1 to 4. In addition the policy section exclusion says there's no cover for the types of damage at points 8 to 10, but doesn't say there's no cover for any car part not listed at points 1 to 4.

I'm satisfied that the fair and reasonable outcome is for IPA to pay Mr and Mrs H's claim subject to the £3,000 limit under the car hire excess section, plus interest as set out below.

IPA hasn't commented on our Investigator's recommendation that it pays compensation for Mr and Mrs H's distress and inconvenience. It's provided no evidence to counter what Mr and Mrs H have said about its service. From the evidence Mr and Mrs H provided I can see it took nearly six months from the date of claim to when IPA issued its final response letter. That letter wrongly referred to Mr and Mrs H's claim for medical expenses, which was frustrating and concerning for Mr and Mrs H. Mr H has provided emails he sent chasing IPA and I've no reason to doubt that they did spend considerable time on the phone to IPA trying to finalise their claim.

I'm satisfied that the £200 compensation our Investigator recommended for Mr and Mrs H's distress and inconvenience due to IPA's poor service is a reasonable amount.

### **My final decision**

I uphold this complaint and require Inter Partner Assistance SA to pay:

- Mr and Mrs H's claim subject to the £3,000 limit under the car hire excess section of the policy. Interest\* should be added at 8% simple a year from the date of claim to the date of settlement, and
- £200 compensation for Mr and Mrs H's distress and inconvenience caused by its poor service.

\*If Inter Partner Assistance SA considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr and Mrs H how much it's taken off. It should also give Mr and Mrs H a certificate showing this 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 Mr H and Mrs H to accept or reject my decision before 26 September 2024.

Nicola Sisk  
**Ombudsman**