

## **The complaint**

Mr F and Mr J complain that Inter Partner Assistance SA (IPA) declined their claim against their travel insurance policy.

## **What happened**

In summary, Mr F and Mr J have an annual travel insurance policy underwritten by IPA. The policy started in May 2023. In October 2023, Mr F and Mr J booked a trip departing on 26 December 2023 and returning on 6 January 2024.

Mr F and Mr J were unable to check in to their first return flight. The airline said something happened with the tickets and they weren't booked correctly. It said the flight was sold out. It offered Mr F and Mr J a private flight, a refund of the flight costs or the opportunity to wait to see if two seats became available on the original flight.

Mr F and Mr J chose the private flight at a cost of \$1,400, so they could make their connection for their second flight. The airline used the flight costs Mr F and Mr J had already paid towards the cost of the private flight and they paid a balance of \$1,100.

Mr F and Mr J made a claim against their policy in relation to the additional costs of \$1,100 for the private flight. IPA declined the claim. It said the policy only reimburses the cost of public transport, not private transport. Mr F and Mr J didn't think that was fair and pursued their complaint.

Mr F and Mr J say if they'd waited for the next available public transport they would have incurred expenses for additional accommodation and travel amounting to \$1,657. They say in arranging the private flight, they mitigated their loss.

One of our Investigators looked at what had happened. The Investigator said IPA had declined the claim in accordance with the policy terms. He didn't recommend the complaint be upheld.

Mr F and Mr J didn't agree with the Investigator. They said the decision they made about taking the private flight was fair and reasonable. Mr F and Mr J say if they had waited for public transport, they would have incurred more costs, so it's fair for IPA to reimburse some of the costs because there's no scenario in which it wouldn't have to pay something.

Mr F and Mr J say they needed to take decisive action, so they didn't contact IPA as they didn't want to risk missing their connecting flight. They say if their initial claim for reimbursement is rejected, they wish to claim for the increased amount they would have claimed if they'd waited for public transport. Mr F and Mr J don't think it's fair that IPA rejected their claim outright.

The Investigator considered what Mr F and Mr J said but didn't change his view. Mr F and Mr J asked that an Ombudsman consider their complaint, so it was 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.

I've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say IPA should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy.

The relevant part of the policy terms says as follows:

### ***'Travel Disruption***

**3. We will pay *you* up to the amount shown in the Table of Benefits for *your* reasonable additional accommodation and **public transport** travel expenses (up to the standard of *your* original booking) so that *you* may continue **your trip** if *your trip* is disrupted due to**

- ***[...]***
- ****you* are involuntarily denied boarding and no suitable alternative is offered within 12 hours.***

The policy defines '**public transport**' as '*Train, tram, bus, coach, ferry service or airline flight operating to a published timetable, and pre-booked taxis.*'

I don't think IPA acted unfairly or unreasonably in declining Mr F and Mr J's claim for reimbursement of private flight costs. The policy covers reasonable additional public transport costs up to the standard of the original booking. The private flight isn't public transport, as defined by the policy, and is a higher standard than Mr F and Mr J's original booking.

I've thought about whether it would be fair and reasonable to direct IPA to settle Mr F and Mr J's claim in any event, but I don't think it would. Mr F and Mr J say if they had waited for the next public transport their claim would have been for considerably more. I think IPA acted fairly in considering the claim Mr F and Mr J actually made: it isn't obliged to consider a claim Mr F and Mr J might have made if they'd taken a different course of action. In the particular circumstances of this case, I don't think it would be fair and reasonable to direct IPA to settle a claim that hasn't been made or to pay part of Mr F and Mr J's costs on the basis that a different course of action may have led to a higher claim.

Mr F and Mr J say in the circumstances that arose here, there's no scenario in which IPA wouldn't have to provide some reimbursement. I'm afraid I don't agree. Under the terms of the policy, IPA isn't obliged to reimburse private flight costs, so IPA isn't obliged to provide reimbursement in the scenario which led to Mr F and Mr J's claim.

I'm sorry to disappoint Mr F and Mr J but I think IPA acted fairly and reasonably in declining their claim in accordance with the policy terms and there are no grounds on which I can fairly direct it to settle their claim in the way they suggest.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mr J to accept or reject my decision before 29 October 2024.

Louise Povey

**Ombudsman**