

The complaint

Mr M has complained that Inter Partner Assistance SA (IPA) has only partly settled a claim he made on a travel insurance policy. He has also complained about poor service during the claims process.

The complaint involves the actions of the claim administrators, acting on behalf of IPA. To be clear, when referring to IPA in this decision I am also referring to any other entities acting on its behalf.

What happened

Mr M was on a trip abroad in November 2023. Upon checking out of the hotel, he left some luggage in its storage room. When he returned, he found that a bag was missing. Therefore, he made a claim on the policy for the bag and its contents, including some higher value items that are defined as 'gadgets' under the policy.

When Mr M rang to register the claim, he was told that he only needed to make one claim. However, he was later informed that he needed to make two separate claims, one for the baggage and another for the gadgets.

The baggage claim was initially declined on the basis that Mr M hadn't reported the loss. However, he had reported the incident to the hotel and the police had a record of it, so IPA then accepted the claim.

The separate gadgets claim was declined on the basis that there was no evidence of forced entry to the storage room, as required under the policy terms.

In responding to the complaint, IPA accepted that Mr M had been given incorrect information about making a gadgets claim. It also agreed that it hadn't provided a breakdown of the baggage claim as Mr M had requested. It undertook to do that at that point. It also apologised and paid £150 for the poor service received.

Our investigator thought that it was reasonable for IPA to decline the claim for gadgets, in line with the policy terms and conditions. She also thought that the £150 compensation was fair for the failings that IPA had identified in its complaint final response letter (FRL) dated 8 March 2024.

Our investigator then tried to clarify the situation regarding the breakdown of the baggage claim. Because IPA said that it had provided this on 22 January 2024. But that contradicted what it had said in its FRL in March 2024, which was that the claims team had been instructed to provide an amended settlement letter to include a breakdown. As no further response was received from IPA, the investigator recommended that a further £50 should be paid to Mr M, on the basis of there being no evidence that the breakdown had been sent.

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 carefully considered the obligations placed on IPA by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for IPA to handle claims promptly and fairly, and to not unreasonably decline a claim.

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 test then is whether the claim falls under one of the agreed areas of cover within the policy.

The claim for baggage has been settled under the 'Personal Belongings' part of the cover, so I don't need to look at that element of it. The main matter at hand is whether IPA has acted fairly in declining the gadgets claim.

Looking at the policy terms, under 'section 4: Personal belongings and money', it states:

'What is not covered

2. Any claim for Gadgets (see Section 8 – Gadget Cover).'

So, I'm satisfied that IPA didn't have to settle the gadgets claim just because it had agreed to pay out on the baggage claim under the personal belongings section.

Looking at section 8 of the policy, for 'Gadget Cover', it states:

'What is not covered?

2. Replacement of your gadget:-

b) Theft or Accidental Loss:-

ii. Where you have left the gadget unattended (including being in luggage during transit) except where it is locked in a safe or safety deposit box where these are available, or left out of sight in your locked holiday or trip accommodation and force, resulting in damage to the accommodation, was used to gain entry or exit, evidence of which must be provided with your claim.'

I do have sympathy with Mr M's situation. He was the victim of theft and is out of pocket as a result. I understand what he's said about it being a very stressful experience, in addition to other things that were going on in his life at the time. However, the question is whether the circumstances of his gadgets being stolen are covered under the policy terms – and unfortunately they are not. As there was no evidence of forced entry to the hotel's storage room, I consider that it was reasonable for IPA to decline that part of the claim.

I'll turn now to the service provided during the claims process.

Prior to calling to register the claim, Mr M had seen that it said online that a separate claim for gadgets would need to be made. In spite of raising this, he was assured by the adviser that one claim for the entire loss would suffice, only to be told later that that was incorrect. Mr M also had to chase for progress. As our investigator has said, the customer journey could have been better. There's also no dispute that Mr M requested a breakdown of what was included in the baggage settlement.

I consider that the £150 offered by IPA in its FRL of 8 March 2024 was reasonable, at that point, for the failing that occurred. That was on condition that it did what it said it was going to do – namely provide a breakdown of the baggage claim.

It is disappointing that IPA hasn't responded to our investigator to clarify what has happened with that aspect of the complaint. Therefore, without any information to the contrary, I must assume that the breakdown has yet to be provided. As such, it is appropriate that the amount of compensation should be increased to take that into account. On balance, I agree with our investigator that a further £50 for distress and inconvenience would be reasonable. IPA should also now take steps to provide the breakdown of the baggage claim as promised in its FRL.

My final decision

For the reasons set out above, I uphold the complaint. I require Inter Partner Assistance SA to provide a breakdown of the baggage claim to Mr M within four weeks of the date of this decision. I also require it to pay an additional £50 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 December 2024.

Carole Clark
Ombudsman