DRN-5403947

The complaint

Miss D and Mr S are unhappy with how Inter Partner Assistance SA (IPA) have dealt with a claim on their travel insurance policy.

For ease I've mostly referred to Miss D throughout.

What happened

Miss D and Mr S have an annual travel insurance policy underwritten by IPA. They renewed the policy in February 2023 and cover was in place until 10 February 2024.

Unfortunately, in August 2023, Miss D suffered severe ill health whilst abroad and required hospital treatment. So she submitted a claim to IPA.

IPA assessed the claim. Based on Miss D's medical record, they said she hadn't disclosed a change in her health when the policy renewed. So they proportionally settled 58.55% of her claim in line with what they said the percentage of premium increase would've been if she'd disclosed her previous medical history.

IPA initially told Miss D she hadn't disclosed several conditions, and this list of conditions is what they'd used to rescreen her policy premium. So Miss D contacted her General Practitioner (GP) to clarify nothing listed was significant. IPA then said they had made a mistake and it was actually just Miss D's undisclosed broken wrist that had impacted the premium and would've increased it.

Miss D asked for further evidence from IPA about her rescreening and the increase in premium. But she remained unhappy with their responses, so she referred the matter to this service.

Our investigator looked at what had happened and didn't think IPA had provided enough evidence to reasonably show the price Miss D would've paid in February 2023 if her broken wrist had been disclosed. They said IPA should pay the full claim costs rather than a proportionate settlement and add 8% interest. They also thought IPA should pay an additional £300 compensation for the way the claim was handled.

IPA said they had provided enough evidence to show a qualifying misrepresentation had taken place, so they didn't agree it was fair for them to pay the full claim. They asked for an ombudsman decision.

Miss D was also unhappy. She said she didn't understand how her liability for non disclosure of a whole list of conditions was exactly the same as for just one broken wrist, after IPA said they made an error. And she was disappointed IPA had been given another opportunity to provide the information we'd asked for after they'd already delayed the matter for so long.

So the case has been passed to me to make a 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 proportionate settlement of the claim

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer. And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation.

For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

Did a misrepresentation take place?

Miss D's renewal documentation says:

"We would like to remind you that your chosen policy will continue to provide cover on the understanding that:

• there have been no changes to the medical conditions included on your existing policy

If we have not been made aware of changes to the health of the people named on your policy, your insurer could treat it as if it never existed, or refuse a claim or not pay a claim in full."

Miss D was asked by IPA to declare:

"Any medical condition for which you have taken or been prescribed medication or for which you have received, or are waiting to receive, treatment (including surgery, tests or investigations) within the last 2 years."

Based on the above, I'm satisfied IPA made it clear what information was needed at the time the policy renewed, and Miss D should've declared her broken wrist that happened in December 2022.

This means a misrepresentation took place when the policy renewed in February 2023.

Did a 'qualifying' misrepresentation take place?

When a misrepresentation has taken place, it is for IPA to evidence that it is a 'qualifying' misrepresentation. That, is, to accurately evidence they would have done something differently in regard to the policy if the correct information had been disclosed by Miss D at the time of renewal.

IPA has said the premium for Miss D and Mr S's policy would have been £207.35 instead of £121.35 if her broken wrist had been declared.

In order for this service to agree that it was a qualifying misrepresentation, IPA needs to show us a step-by-step retrospective screening using Miss D's broken wrist that wasn't disclosed.

IPA has provided a copy of the medical underwriting rating for Miss D's broken wrist which would have resulted in a rating of 1.5. With no medical condition, Miss D's medical underwriting rating was 1. So IPA have provided sufficient evidence to show how much Miss D's broken wrist alone would've affected her medical rating.

I appreciate Miss Ds concern that IPA originally said it was also other conditions listed in her medical history that had impacted the premium. And once these had been corrected, she assumed the premium difference would be less. However, IPA acknowledged the confusion caused by their incorrect communication and I'm satisfied the evidence they've provided shows the difference in the premium was caused by the wrist only, which is why the premium difference didn't change with the removal of the other conditions.

The proportionate settlement of the claim

IPA have said Miss D and Mr S have only paid 58% of the premium that should have been charged.

However, IPA has not provided their premium rating as would be applied in February 2023, when the policy renewed. Instead, they have provided screenshots of the premium quoted when completing the online application in December 2024. Which isn't sufficient to demonstrate how the disclosure of the broken wrist would have impacted the premium charged at renewal in February 2023.

So based on the available evidence, I'm not satisfied that IPA has adequately demonstrated Miss D made a qualifying misrepresentation. Therefore, I'm not persuaded it was fair and reasonable to only proportionately settle the claim in the circumstances of this case.

Compensation

IPA has now paid the £350 compensation they previously offered for their poor communication during the claim – particular whilst Miss D was in hospital. But due to the time it has taken to progress this claim, I don't think this goes far enough to fairly reflect the ongoing stress and inconvenience caused to Miss D during an already difficult time in her life.

Miss D was still recovering from a significant health incident abroad, so I can understand why she wanted the matter resolved as quickly as possible so she could move on from it. IPA's communication caused confusion and further worry and upset that could've been avoided.

I think a further £300 compensation more fairly reflects the overall impact of IPA's poor communication and delay in progressing the claim on Miss D and Mr S. It's caused them distress and inconvenience over a prolonged period of time.

Putting things right

Inter Partner Assistance SA need to put things right by:

- Paying the proportionately settled claim in full.
- Adding 8% simple interest one month from the claim date up until the date the settlement is made.
- Paying an additional £300 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint against Inter Partner Assistance SA and direct them to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Mr S to accept or reject my decision before 11 July 2025.

Georgina Gill
Ombudsman