DRN-5561581

The complaint

Mrs R is unhappy with what Inter Partner Assistance SA did following a claim she made on her travel insurance policy.

What happened

Mrs R was on holiday when she became unwell and needed hospital treatment. She complains about how IPA handled her claim and its decision to only pay a proportion of the hospital costs she incurred.

IPA said when taking out the policy Mrs R hadn't provided information about her medical history in response to questions she was asked. And if she had provided that information it would have charged more for the policy. It said it would settle her claim in proportion to the amount she should have paid compared to the amount that was (meaning it would pay 51% of the hospital costs). In relation to the handling of the claim, while there had been discussion over whether a nurse escort was required for Mrs R's repatriation, that was resolved quickly and didn't impact the overall repatriation plan.

Our investigator said, despite a number of requests, IPA hadn't been able to evidence the actual questions Mrs R was asked when the policy was taken out (it had only provided details of the current sales process). He wasn't satisfied IPA had shown she was asked a clear question when taking out the policy in November 2024. He didn't agree IPA was entitled to settle the claim on a proportionate basis.

He also thought IPA was wrong to suggest Mrs R could return home without a nurse escort (which her treating doctor had recommended). Although that was arranged he thought she'd been caused unnecessary distress and inconvenience because it wasn't done earlier. He said IPA should settle the outstanding claim amount (the hospital bill) in full including any late payment charges. And it should pay Mrs R £200 in recognition of the distress and inconvenience it caused her.

Mrs R agreed with his outcome (though raised some process queries which our investigator addressed). IPA didn't agree. It thought it had clearly demonstrated the sales journey presented at the point of sale and said there had been no changes to the questions asked. It had carried out a retro-screen based on the information which should have been provided and believed it had acted in line with the relevant law in agreeing a proportionate settlement. So I need to reach a final 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 rules and industry guidelines say IPA has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably. As this complaint relates to what happened when the policy was taken out I've also considered the relevant law which is the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

That 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. If a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is a qualifying misrepresentation as defined in CIDRA. For that to be the case an insurer has to show that, without the misrepresentation, it would have offered the policy on different terms or wouldn't have offered it at all. CIDRA sets out a number of considerations when deciding whether a consumer failed to take reasonable care. That includes how clear and specific the insurer's questions were.

IPA says Mrs R made a misrepresentation when taking out the policy because she didn't provide information about her medical history. However, while it's provided details of the questions asked as part of the current sales process it hasn't provided those which would have been asked when Mrs R took out her policy. IPA says there weren't any changes to the questions, but it hasn't given any further evidence in support of that. In any event as it hasn't provided the actual questions Mrs R was asked at the point of sale I can't be satisfied she was asked a clear question at that time.

In addition, in order for IPA to have a remedy under CIDRA, it would also need to show that without the alleged misrepresentation it wouldn't have entered into the contract at all or would only have done so on different terms. IPA says in this case it would have charged more for it. But it hasn't provided any detailed breakdown of how that calculation has been reached (despite requests for this). And it also appears any screening it did carry out reflected the position at the point Mrs R made her claim rather than (as should have been the case) when she took out the policy.

Taking all of that and the requirements of CIDRA into account I'm not satisfied IPA has shown there was a qualifying misrepresentation when Mrs R took out her policy. That means IPA doesn't have a remedy it can apply under CIDRA. It follows I don't think it was fair or reasonable of it to only pay a proportion of Mrs R's claim.

I've also reviewed the concerns Mrs R has about how her claim was handled. In particular she says IPA put her under pressure to fly home without a nurse escort despite that being medically recommended. It's clear from the 'fit to fly' certificate issued to Mrs R that nurse accompaniment was required for her flight home. IPA nevertheless discussed Mrs R returning home unescorted. I'm not persuaded that was appropriate without it having first explored with the treating doctor why nurse accompaniment was required. IPA also appear to have wrongly identified Mrs R's holiday location causing confusion over which flights would be available to bring her home. Although those issues were resolved reasonably quickly I think they will have caused Mrs R some avoidable distress and inconvenience at what was already a difficult time.

Putting things right

IPA will need to settle Mrs R's claim in full (rather than proportionately) in line with the terms and conditions of her policy including payment of any late fees charged by the hospital. It will also need to pay her £200 in recognition of the distress and inconvenience she was caused by what it got wrong in handling her claim and by saying it would only settle this on a proportionate basis.

My final decision

I've decided to uphold this complaint. Inter Partner Assistance SA will need to put things right by doing what I've said in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 14 August 2025.

James Park
Ombudsman