

The complaint

Miss F, Ms M, Ms D and Mr M complain that Inter Partner Assistance SA (IPA) hasn't fully settled a claim they made on a travel insurance policy.

As Miss F brought the complaint to us, for ease of reading, I've referred mainly to her

.What happened

Miss F, Ms M, Ms D and Mr M were abroad on holiday in June 2024. Their return journey was made up of two flights – the first from a country I'll call P to a country I'll call S and then from S on to the UK. But the flight from P to S was cancelled on the morning the party was due to travel. So Miss F, Ms M, Ms D and Mr M had to purchase new return flights from P to the UK. They made a travel disruption claim on the policy for the additional costs they'd incurred.

IPA considered the claim. It ultimately paid Miss F a total of £5290.04 which it calculated was its liability under the travel disruption section of the policy. It acknowledged that there'd been an unreasonable delay in its assessment of the claim and it paid Miss F £100 compensation.

Miss F was unhappy with the settlement IPA had paid her. She calculated that a total further amount of £1425.40 remained outstanding. So she asked us to look into this complaint.

Our investigator asked IPA to break down how it had calculated the settlement. But she didn't think it had provided enough evidence to show the claim had been settled fairly. So she recommended that IPA pay Miss F the outstanding balance of £1425.40.

IPA disagreed and so the complaint was passed to me to decide. I asked IPA to provide me with further evidence in support of its position. But it didn't respond with the information I asked for by the deadline I gave.

I issued a provisional decision on 14 May 2025, which explained the reasons why I didn't think IPA had settled this claim fairly. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think IPA has handled this claim fairly.'

I've first considered the policy terms and conditions, as these form the basis of the contract between Miss F and IPA. Miss F made a travel disruption claim on the policy after her flight from P to S was cancelled. So I think it was reasonable and appropriate for IPA to consider the claim under the travel disruption section of the policy. This says:

*'We will pay you up to the amount show in the Benefit table 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:*

- *The public transport on which you were booked to travel being cancelled or delayed for at least 12 hours, diverted or redirected after take-off.* (My emphasis added).

The contract says that IPA won't cover: 'Any costs or charges for which any carrier or provide must, has or will reimburse you and all amounts paid in compensation by the carrier.'

IPA accepts that Miss F has a valid claim under the travel disruption section of the policy. I'm satisfied that the contract terms make it clear that IPA will only cover a policyholder's additional travel costs. And that it's entitled to deduct any amounts a carrier (such as an airline) has refunded a policyholder.

Despite our requests for a detailed breakdown of IPA's settlement, I understand from the information it has provided that it calculated what was due to Miss F as follows:

- Total cost of Miss F's replacement flights: £7911.6
- Cost of Miss F's original flights: £2431.56

Cost of replacement flights less the cost of the original flights:

$$£7911.6 - £2431.56 = \mathbf{£5480.04}$$

IPA was then entitled to deduct the policy excess of £190 from the settlement it paid. I understand from Miss F that IPA paid her £5290.60.

Based on the flight invoices Miss F has provided to me; it seems that the total cost of Miss F's original outbound and inbound flights to P was £2431.56. Miss F was able to use the outbound flights to P and therefore, I don't think it was fair for IPA to take these costs into account when it calculated the settlement due. I can see that the airline refunded Miss F a total amount of £1005.6 – a refund of £251.40 per insured person. In my view, that refund likely represents the cost of Miss F's original, unused return flights from P to the UK.

Therefore, I think any of the total new flight costs which exceed £1005.60 should be treated as Miss F's additional travel expenses. And so I think under the terms and conditions of the policy, IPA's only entitled to deduct £1005.60 from the settlement it pays, representing the return flight costs Miss F would always have paid even if the flight had gone ahead as planned. And it remains entitled to deduct the policy excess of £190.

By my calculation then, which accords with Miss F's own calculations, IPA should settle the claim in the following way:

$$\begin{aligned} £7911.6 - £1005.6 &= £6906 \text{ (the additional travel cost)} \\ £6906 - £190 \text{ excess} &= £6716 \end{aligned}$$

IPA has already settled £5290.60, so in my view, the following amount remains outstanding:

$$£6716 - £5290.60 = \mathbf{£1425.40} \text{ (each insured person being due a further £356.35).}$$

As IPA hasn't provided evidence to show how it calculated the settlement, I'm not satisfied that it's shown Miss F's calculations are wrong or that it worked out settlement fairly. So I currently think that IPA needs to pay Miss F, Ms M, Ms D and Mr M a further £356.35 per person, together with interest.

There was a clear delay in IPA making any claim settlement. I can see from IPA's claims

notes that Miss F chased it up on a number of occasions and I don't think IPA dealt with the claim in a prompt or timely way. I don't doubt this caused Miss F distress and inconvenience. In the round though, I think the £100 compensation IPA's already paid Miss F to recognise the trouble and upset the delays in its assessment of this claim caused her was a fair and reasonable award. So I'm not telling it to pay a further award of compensation.

Putting things right

I plan to direct Inter Partner Assistance SA to:

- *Pay Miss F, Ms M, Ms D and Mr M a total further settlement of £1425.40 (£356.35 per person); and*
- *Add interest to the settlement at an annual rate of 8% simple from one month after the claim was made until the date of settlement.'*

I asked both parties to send me any further evidence or comments they wanted me to consider.

Miss F accepted my provisional decision, but IPA didn't respond by the deadline we gave.

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.

Having done so, as Miss F accepted my provisional decision and IPA didn't respond to it, I see no reason to change my provisional findings.

So my final decision is the same as my provisional decision and for the same reasons.

Putting things right

I direct Inter Partner Assistance SA to:

- Pay Miss F, Ms M, Ms D and Mr M a total further settlement of £1425.40 (£356.35 per person); and
- Add interest to the settlement at an annual rate of 8% simple from one month after the claim was made until the date of settlement.

If IPA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss F, Ms M, Ms D and Mr M how much it's taken off. It should also give Miss F, Ms M, Ms D and Mr M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint and I direct Inter Partner Assistance SA to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D, Miss F, Mr M and Ms M to accept or reject my decision before 7 July 2025.

Lisa Barham

Ombudsman