DRN-5646533

The complaint

Miss M complains about how Inter Partner Assistance SA (IPA) handled her claim against her travel insurance policy. Reference to IPA includes its agents.

What happened

In summary, Miss M had an annual travel insurance policy underwritten by IPA. Whilst she was on a trip, her passport and other items were stolen from the apartment she was staying in. Miss M incurred additional expenses as she had to extend her trip and obtain an emergency passport to enable her to travel home. She made a claim against her policy in relation to the stolen items and expenses arising out of the theft of her passport. IPA settled Miss M's claim in part. Miss M didn't think that was fair and complained to IPA.

In response to Miss M's complaint, IPA apologised that her claim had taken longer than it should and said it hadn't kept her informed about the progress of her claim. IPA said it would review urgently the outstanding items. It said it had processed compensation of £75 in relation to service issues. Miss M said she didn't receive the £75 or any information about the further review of her claim. She pursued her complaint with this service.

Miss M says the claims process has been very lengthy, unstructured and repetitive, which caused her to spend considerable time dealing with the matter. She says this came at a particularly difficult time as she was in the process of buying her first property and IPA's delay in reimbursing her caused her stress. Miss M doesn't understand why IPA deducted varying amounts for wear and tear. She wants IPA to pay the remainder of her claim: additional taxi costs, food on the additional day of her trip and the cost of her return flight.

One of our Investigators looked at what had happened. He said IPA hadn't responded to this service's requests for information about its deductions for wear and tear. In the absence of further information, the Investigator recommended IPA pay the full amount claimed for each item where it had made a deduction.

The Investigator said IPA had made two payments of £100 in relation to emergency and replacement passports and he didn't think it needed to do any more about that part of the claim. He said IPA had paid for two taxi journeys from Miss M's accommodation to the consulate. The Investigator recommended IPA should also reimburse Miss M for two return taxi journeys from the consulate to her accommodation. The Investigator recommended IPA pay Miss M further compensation of £100 in relation to her distress and inconvenience, in addition to the £75 it had already paid.

The Investigator didn't think IPA had acted unfairly in declining the parts of Miss M's claim relating to the expenses she incurred in travelling to the airport, food at the airport, airport parking, further travel to the UK airport and for the replacement flight.

Miss M accepted the Investigator's recommendation but IPA didn't respond. As there was no agreement between the parties, the matter 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.

The relevant rules and industry guidance say IPA has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I uphold Miss M's complaint in part and I'll explain why:

- 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. In general terms, insurers can decide what risks they wish to cover.

Miss M's claim for the stolen items

- The relevant parts of Miss M's policy in relation to her claim for the stolen items provides as follows:

  '***Section E – Baggage***
  What is covered
  1. ***We*** *will pay* ***you*** *up to £1,750 for the […] theft of […]* ***baggage*** *and* ***valuables****.* *The amount payable in the event of a total loss, will be the value at today's prices less a deduction for wear and tear and depreciation (loss of value) […]* *The maximum* ***we*** *will pay* ***you*** *for the following items is:*
     a. *£200 for any one article, pair or set of articles.*
     b. *£250 for the total for all valuables.'*

  The policy defines '***Baggage***' as '*…luggage, clothing, personal effects and other articles (but excluding* ***valuables*** *[…] and documents of any kind) which belong to you (or for which you are legally responsible) which are worn, used or carried by you during any trip or one-way trip*.'

  The policy's definition of '***Valuables***' includes jewellery and headphones

- IPA settled Miss M's claim for her headphones, sandals, necklace, backpack, glasses, shoes and sunglasses. IPA deducted varying amounts for wear and tear. Whilst the policy provides IPA may make a deduction for wear and tear and depreciation, it hasn't explained how it calculated the various deductions. So, I don't have sufficient information to conclude the deductions are fair. I agree with the Investigator that on the basis of the information we have, IPA should pay Miss M a sum equivalent to the deductions it made in relation to her claim for her headphones, sandals, necklace, backpack, glasses, shoes and sunglasses. It should also pay interest on that amount.

- I don't think IPA treated Miss M unfairly or unreasonably in declining her claim for the cost of replacement door keys, as there's no cover in the policy for that.

Miss M's claim arising from her stolen passport

- The relevant part of Miss M's policy in relation to her claim for expenses following the theft of her passport are as follows:

'*Section F – Personal money, passport and documents*
What is covered

1. ***We*** *will pay* ***you*** *up to the amounts shown below for the […] theft of […] documents (including the unused portion of passports […]).*

   The maximum ***we*** *will pay for the following items is:*
   […]
   c. £150 for […] documents (including the cost of the emergency replacement or temporary passport […] obtained outside your ***home area*** *and the value of the unused portion of* ***your*** *passport […].*

   2. ***We*** *will pay* ***you*** *up to £350 for reasonable additional travel and accommodation expenses necessarily incurred outside* ***your home area*** *to obtain a replacement of* ***your*** *passport […] which has been […] stolen […] outside* ***your home area****.*
   […]

What is not covered
[…]

   6. Any additional travel and accommodation expenses incurred because ***you*** *were unable to board the* ***public transport*** *on which* ***you*** *were booked to return to the* ***United Kingdom*** *or continue* ***your trip*** *as a result of the […] theft of […]* ***your*** *passport […]*'

- Miss M claimed £100 in relation to what she referred to as an '*Emergency passport*' and £88.50 for a '*Replacement passport'*. In correspondence with this service, IPA said it paid Miss M £100 in relation to her emergency passport in its first settlement and a further £100 in relation to a replacement passport in its second settlement. That's inconsistent with its earlier correspondence with Miss M in November 2024, when it said it declined Miss M's claim for an emergency passport but paid £100 in relation to a replacement passport.

- I think there's been confusion about terminology and the amounts paid for this part of the claim. I haven't asked IPA to clarify this matter as it hasn't responded to the Investigator's earlier requests for information or his view. So, I've proceeded on the basis of the information we have.

- The policy provides the maximum IPA will pay for documents, including an emergency or temporary passport and the value of the unused portion of the stolen passport, is £150. In correspondence with IPA, Miss M said she didn't wish to claim for the value of the unused portion of the stolen passport. There's cover in the policy for the cost of an emergency or temporary passport but not a permanent, replacement passport.

- If IPA paid a total of £200 in relation to Miss M's claim for emergency and replacement passports, its paid more than Miss M claimed and more than it's required to pay under the policy. That's to Miss M's advantage. If IPA paid £100, its effectively settled the part of Miss M's claim which relates to an emergency passport. That's in accordance with the policy terms. In either case, I don't require IPA to make any further payment in relation to this part of Miss M's claim.

- Miss M made two trips to the consulate in order to obtain an emergency passport, so four taxi journeys. Those journeys were reasonable additional travel expenses necessarily incurred in order to ensure she could travel. IPA reimbursed Miss M in relation to the two taxi journeys from her accommodation to the consulate but not the two journeys from the consulate to her accommodation. IPA should pay Miss M the sterling equivalent of €25.45 and €26.95 for the two remaining taxi journeys in relation to her trips to obtain an emergency passport. It should also pay interest on those amounts.

- I don't think IPA acted unfairly or unreasonably in declining the parts of Miss M's claim which related to additional travel expenses as a result of her missing her original flight. I think IPA was entitled to rely on the exclusion I've set out above.

- In her correspondence with IPA, Miss M referred to the '***Missed departure***' section of the policy. That section doesn't assist Miss M here; it provides cover where the insured missed a flight because of a failure of public transport, an accident or breakdown of a vehicle, strike or industrial action or adverse weather. That's not what happened here.

- There's no cover in the policy in relation to additional food, airport parking or travel to the UK airport. So, I don't think IPA acted unfairly in declining those parts of Miss M's claim.

IPA's handling of Miss M's claim

- IPA accepts it took too long to deal with Miss M's claim and it didn't keep her informed about what was going on. I think it also dealt with Miss M's claim in a piecemeal way and didn't give her clear information about which items in her claim were being paid and declined. In August 2024, IPA told Miss M it was settling her claim for a sum much less than she had claimed with no explanation of what the amount related to.

- I think IPA's handling of Miss M's claim caused her distress and inconvenience at an already difficult time. Miss M has explained she was in the process of buying her first property, her finances were being scrutinised by a prospective lender and she couldn't afford to bear the losses which should be covered by her policy.

- IPA's poor service meant Miss M suffered distress and inconvenience. I think fair compensation in this case is £175. In reaching that view, I've taken into account the nature, extent and duration of Miss M's distress and inconvenience caused by IPA's poor handling of her claim. If IPA has already paid Miss M compensation of £75, it can deduct that amount from the payment.

Putting things right

In order to put things right, IPA should pay to Miss M:

- A sum equivalent to the amounts it deducted from the settlement of her claim in relation to wear and tear to her headphones, sandals, necklace, backpack, glasses, shoes and sunglasses.
- The sterling equivalent of €25.45 and €26.95 for the two remaining taxi journeys for her trips to obtain an emergency passport.
- Interest on the two amounts referred to above at the simple rate of 8% per year from one month from the date of the claim, to the date of settlement.
- Compensation for distress and inconvenience in the total amount of £175. If IPA has already paid Miss M £75, it may deduct that from the final payment.

If IPA considers it’s required by HM Revenue & Customs to deduct income tax from the interest, it should tell Miss M how much it’s taken off. It should also give Miss M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

My final decision is that I uphold this complaint in part. Inter Partner Assistance SA should now take the steps I’ve set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss M to accept or reject my decision before 6 August 2025.
Louise Povey
Ombudsman