

The complaint

Mr B and Miss M have complained that Inter Partner Assistance (“IPA”) declined a claim made under their travel insurance policy.

What happened

The background to this complaint is well known to the parties so it serves no purpose for me to repeat it in detail here. In summary Mr B and Miss M purchased a single trip travel insurance policy in June 2024, this also included cover for their daughter.

Unfortunately, whilst abroad their daughter became ill and subsequently Mr B and Miss M made a claim on the policy for medical expenses incurred. IPA declined the claim as it said that Mr B and Miss M had failed to make it aware of pre-existing conditions and had it been told about these it wouldn’t have offered this policy.

Unhappy with this Mr B and Miss M referred their complaint to this service. Our investigator agreed that there had been a qualifying misrepresentation, but they said that IPA should refund the premium paid with interest. IPA accepted this but Mr B and Miss M appealed.

They emphasised that their daughter’s illness wasn’t related to a pre-existing condition. They felt they had been misled by guidance given over the phone, which they said created a reasonable expectation that the claim would be processed on their return. They didn’t consider the IPA had shown the policy wouldn’t have been available had the questions been answered differently. And finally, they didn’t consider that refunding the premiums was a proportionate remedy.

A second investigator requested and listened to the call where Mr B felt that he had been misled. The investigator felt that the adviser had given Mr B incorrect advice which would have caused distress and a loss of expectation. They recommended that IPA pay Mr B £100 in compensation for the misinformation, in addition to the premium refund. IPA agreed but Mr B appealed on behalf of himself and Miss M.

Mr B said that the offer of £100 was not acceptable considering the financial loss and stress that they had been through. They felt that the misinformation on the call was a serious service failure. With regard to the pre-existing condition, he reiterated that they genuinely believed their daughter’s previous minor viral infections were not relevant, but typical childhood illnesses that were completely resolved before travel. Mr B also referred to the financial impact – a huge unexpected expense that he said they wouldn’t have taken on had they not been assured that they were covered.

As no agreement has been reached the matter has been passed to me to determine.

All references to IPA in this decision include its authorised agents.

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'd like to reassure Mr B and Miss M that whilst I've summarised the background to this complaint, I've carefully considered all the submissions they have made. In this decision though I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the contract terms, regulatory rules and the available evidence, to decide whether I think IPA treated Mr B and Miss M fairly. Having done so, and although I recognise that they will be disappointed by my decision, I agree with the conclusion reached by the investigators. I will explain why.

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.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

IPA thinks that Mr B and Miss M failed to take reasonable care not to make a misrepresentation when answering the following question negatively:

Within the last 2 years has anyone you wish to insure on this policy suffered any medical condition, (medical or psychological disease, sickness, condition, illness or injury) that has required prescribed medication, (including repeat prescriptions) or treatment including surgery, tests or investigations?

I have considered Mr B's comments regarding his daughter's previous illnesses. But as the medical evidence shows that Mr B and Miss M's daughter had three medical conditions documented in the two years prior to the application I don't find it was unreasonable for IPA to conclude that Mr B and Miss M failed to take reasonable care when answering this question.

IPA has said this this policy wouldn't have been available to anyone answering positively to this question. That is, the sale wouldn't have continued, and this policy wouldn't have been offered. I'm satisfied by the information I have seen regarding the sale and the steps that people proposing for this cover are taken through that this is so and that the policy wouldn't have been offered had the question been answered correctly. So I'm satisfied that the misrepresentation was qualifying under CIDRA. IPA have treated the misrepresentation as careless, and I find that was fair in the circumstances.

As IPA wouldn't have entered into the contract but for the misrepresentation it may avoid the contract and refuse all claims – which it has done. However it must return the premium. It hadn't done so but has agreed to do so now with interest. I agree with Mr B's point that this refund isn't a goodwill gesture, but is required under CIDRA.

For the avoidance of doubt, I do accept that the claim wasn't related to a pre-existing condition. But the point here is had the questions regarding medical conditions in the last two years been answered correctly, this policy wouldn't have been available.

With regard to the guidance given over the phone I too have listened to the call. Mr G was advised that the claim was covered, and a guarantee of payment had been sent to the hospital. He was told he would just need to send the invoices to IPA on return to the UK and would be reimbursed. I agree that this was incorrect – the claim needed to be assessed. I note during the call he had explained that he had already paid by card – so I'm not persuaded that the call led him to make a payment he wouldn't otherwise have done. Nevertheless I find that the information given was misleading and compensation is due for the distress caused when Mr B found that the information given wasn't correct. I'm satisfied that £100 is fair in the circumstances.

I do recognise that there has been a significant financial impact for Mr B and Miss M – but here I'm looking to see if there have been errors or omissions on the part of IPA which caused this. For the reasons given I don't find that IPA is liable to pay the claim. So the £100 in compensation is not intended to equate to medical costs incurred Mr B and Miss M for their daughter; rather to compensate for the thwarted expectation caused by the telephone call.

My final decision

For the reasons given I uphold this complaint. I require Inter Partner Assistance SA to:

- Refund Mr B and Miss M the premium paid for the policy adding 8% interest from the date the claim was declined until settlement.
- Pay Mr B £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss M to accept or reject my decision before 3 December 2025.

Lindsey Woloski
Ombudsman