

## **The complaint**

Mr F and Mrs B complain about the delays Inter Partner Assistance SA (“IPA”) caused in settling a claim under their travel insurance policy.

## **What happened**

Mr F and Mrs B had a single trip travel insurance policy which covered them and their children for a trip between 23 May and 2 June 2024. The insurer was IPA. Unfortunately, Mr F and Mrs B had to cancel the trip due to the passing of a family member, and they submitted a claim for cancellation to IPA.

IPA accepted the claim, and it issued a settlement letter on 29 July 2024. However, due to several mistakes, the settlement payment didn’t reach Mr F and Mrs B’s account until 19 August 2024. They had wanted to book another trip for the remainder of the summer holiday, but it was too late to do so due to the delay in receiving the settlement from IPA. Mr F and Mrs B want IPA to pay them interest totalling £7,436.60 as compensation for the delay and mistakes IPA made, or the difference in the cost of a new trip in the future and what they would have paid, had IPA paid the settlement promptly.

IPA accepted responsibility for the delay in settling the claim. It paid Mr F and Mrs B £500 to compensate them for the distress and inconvenience caused. But they don’t think this goes far enough to put them in the position they would have been in. Mr F and Mrs B say IPA failed to comply with law and regulations, and it failed to follow its own internal policies and procedures.

One of our investigators reviewed the complaint. Having done so, she thought what IPA had done to put things right was fair and reasonable in the circumstances. Mr F and Mrs B didn’t agree with the investigator’s findings. As no agreement was reached, the complaint has been 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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly and fairly. I’ve taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of this complaint.

My role and remit is to decide what is fair and reasonable in all the circumstances of an individual complaint. I appreciate Mr F and Mrs B’s concern about IPA’s failures. But I don’t think *why* or *how* mistakes happened has an impact on the outcome of their complaint. This is because IPA has already accepted it made mistakes. And it’s the impact of those mistakes on Mr F and Mrs B that is the crux of this complaint. That is, how should IPA put this right for them fairly and reasonably.

Firstly, I think IPA originally considered the claim within a reasonable amount of time. IPA's internal notes suggest that Mr F and Mrs B first got in touch about the claim on 28 June 2024. And Mr F and Mrs B have said that they submitted supporting documentation on 30 June 2024. IPA then agreed to settle the claim and it confirmed this to them on 29 July 2024. Overall, I think this was fair and reasonable, and I don't think there were any unreasonable delays up to this point.

However, had everything gone right, Mr F and Mrs B say IPA told them that they should have received the settlement payment by 2 August 2024. Instead, due to several errors along the way, this wasn't received until 19 August 2024. I'm satisfied the delay was due to IPA's mistakes. However, I don't think it would be fair or reasonable for me to direct IPA to pay Mr F and Mrs B daily compound interest as they've suggested, or the difference in cost of a new trip in the future. I'll explain why.

Where a consumer has been out of pocket due to an error made by a business, this Service's current approach is to award 8% simple interest per annum for the period they were out of pocket. I'm not persuaded that Mr F and Mrs B's circumstances meant that it would be fair or reasonable to depart from this approach. The fundamental reason why Mr F and Mrs B were without the funds, and why they wanted to book another trip, was due to them having to cancel the original trip because of a family member's sad passing. This isn't something IPA was responsible for. IPA has calculated that the 8% simple interest per annum would have been less than £34, which it took into account in its compensation offer.

It's clear that the delay in the claim settlement caused Mr F and Mrs B distress and inconvenience, and a loss of expectation. But having considered everything, I think £500 fairly reflects the impact on them in the circumstances of this complaint.

IPA already paid the £500. But it's not clear if Mr F and Mrs B returned this to IPA, as they didn't want to accept it. If they did, they should get in touch with IPA and ask it to reissue the payment, if they now wish to accept it.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr F to accept or reject my decision before 15 October 2025.

Renja Anderson  
**Ombudsman**