

The complaint

Miss C and two of her family members are unhappy Inter Partner Assistance SA (IPA) declined cover for their claim.

For ease I have referred only to Miss C throughout.

What happened

Miss C had a travel insurance policy under underwritten by IPA. She booked a return trip abroad.

Due to adverse weather conditions in her intended destination, her outward flight to start the trip was delayed continuously from 9:40pm on 17th April to 11:30am on 18th April 2024 (a delay of more than 12 hours).

So Miss C cancelled her holiday and submitted a claim to IPA to cover her cancellation costs. IPA declined cover. They said the travel disruption section of the policy doesn't cover any cancellation or trip abandonment if it was booked as a part of a package holiday.

IPA also said the claim would only be eligible under Delayed Departure if the journey was continued after experiencing delays. And they paid £175 compensation to Miss C for delays and poor communication.

Miss C remained unhappy so referred the matter to this service. Our investigator looked into what had happened and didn't uphold the complaint. She said IPA had fairly declined cover in line with the policy terms and exclusions.

Miss C disagreed. In summary she said the policy terms are ambiguous and her claim should be covered under the delayed departure section of the policy.

So the case 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.

The relevant rules and industry guidelines say IPA has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

Travel insurance policies unfortunately don't cover every eventuality. Insurers decide what risks they are prepared to cover.

I've considered the relevant sections of both the 'Travel Disruption' and 'Delayed Departure' cover under the policy. And all the relevant exclusions that could apply to decide if IPA fairly declined cover for Miss C's claim.

Travel disruption

I've considered the Travel Disruption section of the policy to see if it applies to Miss C's claim. The terms for travel disruption state:

Travel disruption cover.

1. This section of the policy provides cover for unused travel, accommodation and other pre-paid charges (including excursions up to £250) if you cannot claim back from any other source if you cannot travel and have to cancel your trip as a result of:

a. The public transport on which you were booked to travel from your home area being cancelled or delayed for at least 5 hours from the scheduled time of departure.

This would apply to Miss C's circumstances. However, there is also an exclusion listed under this section of the policy which states:

What is not covered (applicable to all sections of cover)

14. Any cost if your trip was booked as part of a package holiday ...

I think it was fair for IPA to apply this exclusion and conclude Miss C's claim isn't covered under the travel disruption section of the policy as the trip was part of a packaged holiday.

I've also considered the cover offered by the policy under Delayed Departure as I know this is important to Miss C.

Delayed departure

The policy terms say:

What is covered

If you have arrived at the terminal and have checked in, or attempted to check in for your prebooked flight . from or to the United Kingdom, and it is:

- 1. Delayed for more than 12 hours beyond the intended departure time.*
- 2. Is cancelled before or after the scheduled time of departure as a result of any of the following events:*
 - a. Strike or industrial action.*
 - b. Adverse weather conditions.*
 - c. Mechanical breakdown or a technical fault occurring in the public transport on which you are booked to travel.*

We will pay you:

- 1. £35 for the first completed 12 hours delay and £20 for each full 12 hours delay after that, up to a maximum of £350 (which is meant to help you pay for telephone calls made and meals and refreshments purchased during the delay) provided you eventually travel.*
- 2. Up to £6,000 for any irrecoverable unused travel and accommodation costs and other pre-paid charges which you have paid or are contracted to pay, if:*

a. After a delay of at least 12 hours ... You choose to cancel your trip before departure from the United Kingdom

Although Miss C was delayed for more than 12 hours, she decided to cancel her trip and not travel on the rescheduled flight the following day. So as she didn't eventually travel, the financial benefit of £35 for the 12 hour delay above doesn't apply here.

Miss C has explained she believes her claim for cancellation costs can be covered under the next part of the policy that provides up to £6,000 cover for a delay over 12 hours, if the trip is cancelled before departure.

IPA disagreed because there is also an exclusion under this section of the policy for packaged holidays. The exclusions set out under Delayed Departure say:

What isn't covered

3. (h) trips booked as part of a package holiday

The terms say this exclusion doesn't apply to subsection 1 of 'what is covered'. This has caused confusion because Miss C has understandably interpreted subsection 1 of the above term to be:

What is covered

If you have arrived at the terminal and have checked in, or attempted to check in for your prebooked flight ... from or to the United Kingdom, and it is:

1. *Delayed for more than 12 hours beyond the intended departure time.*

So she doesn't think it was fair for IPA to apply the packaged holiday exclusion to her claim.

Although I agree with Miss C that the numbering of this section of this policy is unclear and misleading, I'm satisfied this policy only intended to provide £35 financial benefit for packaged holiday where customers face a 12 hour delay, to help them cover food and drinks costs whilst they wait to eventually travel. So subsection 1 makes reference to the first part of cover under the 'what we will pay' section.

It isn't unusual for travel insurance policies to not provide cancellation cover for a packaged holiday. That's because The Package Travel and Linked Travel Arrangements Regulations 2018 (PTR) apply and the travel agent should offer refunds or compensation for significant disruptions. So this is something Miss C may want to take forward.

Based on the above, I think it was fair for IPA to rely on the exclusion for packaged holidays under delayed departure and decline cover for Miss C's claim.

I want to be clear, that I can completely understand why Miss C misinterpreted the policy wording in the way she did - the layout and structure of the exclusion under delayed departure could be clearer. But for the reasons I've explained above, I still think it was fair for IPA to apply the exclusion for packaged holidays and decline cover for Miss C's cancellation claim.

I'm sorry to disappoint Miss C, but there isn't anything further I could reasonably ask IPA to contribute here to her cancellation costs. Her policy just doesn't provide cover for unused accommodation or travel costs for a packaged holiday.

Claim delays

Miss C is also unhappy with the delays in receiving their claim outcome. IPA has acknowledged their communication levels fell below the standard of what they would expect, and paid Miss C £175 compensation for the impact of their delays

Overall, I think this amount fairly reflects the delay from 5 June 2024 to 9 August 2024, and the distress and inconvenience this caused. So I won't be asking IPA to pay any further compensation.

My final decision

For the reasons set out above, I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C, Ms C and Miss C to accept or reject my decision before 13 January 2026.

Georgina Gill

Ombudsman