

The complaint

Mr I complains that Inter Partner Assistance SA (IPA) declined his travel insurance claim and about its service. My references to IPA include its claim handling agent.

What happened

Mr I's international flight from the UK was cancelled due to a fire causing a power outage and major disruption at the UK airport. The airline rescheduled his flight but he couldn't use his pre-booked, non-refundable accommodation abroad and had to pay for new accommodation. He claimed on the policy for the cost of the lost unused accommodation.

IPA declined the claim. It said the circumstances of the delay weren't an insured event under the delayed departure section of the policy.

Mr I complained to us that IPA's decision was unfair. In summary he said:

- He bought travel insurance specifically to protect against unforeseen events that cause significant financial loss. A major airport power outage that caused a flight cancellation was an unforeseen event outside his control and IPA was too restrictive to refuse cover just because it didn't exactly match its listed insured events.
- IPA refusing his claim undermines the core purpose of travel insurance and its actions could be contrary to requirements of the Financial Conduct Authority's (FCA) Principles for Businesses, the Insurance Conduct of Business Sourcebook (ICOBS) rules and the Consumer Rights Act 2015.
- The cancellation caused him distress and inconvenience and he wasted time trying to recover the costs from the airline, the accommodation provider and IPA, all without success.
- He wanted IPA to pay the cost of the unused accommodation plus interest.

Our Investigator said IPA had reasonably declined the claim.

Mr I disagrees and wants an Ombudsman's decision. In summary he added:

- The policy wording IPA relied on was ambiguous so had to be interpreted in the consumer's favour. The 'Delayed departure' policy section only listed three reasons for cover, it doesn't say an airport infrastructure failure such as the electrical outage would be excluded.
- A reasonable consumer would understand 'technical fault', which the policy covers, to include the aviation infrastructure needed for a flight to operate.
- The policy was marketed as comprehensive cover but there's no clear warning in the Insurance Product Information Document (IPID) or other policy documents that electrical or power-related airport closures aren't covered.
- Ombudsman decisions concerning volcanic-ash disruption and some Covid-19 cases found that where exclusions weren't clearly highlighted consumers had a reasonable

expectation of cover. The same logic applies in his case. The power outage was extraordinary but foreseeable and if IPA intended to exclude such events it needed to do so explicitly.

- To his knowledge there are no retail travel insurance policies on the UK market that specifically cover airport electrical or infrastructure failure. It was a rare and unpredictable event and IPA was unreasonable to deny the claim on the basis that the risk fell through an undefined gap in cover when no consumer could have foreseen or purchased insurance for it. The airline and credit-card provider told him to contact his travel insurance provider showing that the insurance policy was the 'safety net' expected to apply in this situation.
- The 'Delayed departure' policy section only provides set payments for delays and doesn't cover costs of unused accommodation. The accommodation costs would be covered under the 'Cancellation or Curtailment' and 'Travel Disruption' sections of the policy and IPA failed to assess his claim under those sections.
- IPA can't rely on the 'recoverable costs' exclusion as he tried to recover the costs elsewhere but couldn't. IPA didn't address recoverability at all.
- If IPA's decision is correct that means the policy offers no meaningful cancellation or disruption protection despite being sold as providing up to £3,000 in such cover.
- As well as the lost cost of his original accommodation he wants IPA to also pay the additional accommodation rebooking cost and compensation for his distress and inconvenience caused by its claim handling.

Our Investigator explained why he hadn't changed his mind. As there's no agreement between the parties the complaint has been referred to me to make a decision.

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've considered all the points Mr I has made. I won't address all his points in my findings because I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

Mr I considers that IPA may have acted contrary to the FCA principles and regulatory requirements and the Consumer Rights Act 2015. It's for the court to decide if a business has acted contrary to the law. But in considering what's fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

The relevant regulator's (the FCA) rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I'm sorry to disappoint Mr I but I'm satisfied that IPA reasonably declined his claim and fairly handled his claim. I'll explain why.

Mr I has referred to wording in the IPID which he says shows he had cover of £3,000 for irrecoverable unused travel and accommodation costs under the 'Cancellation or Curtailment' section of the policy. The IPID lists the 'main benefits' and 'main exclusions only'. The IPID doesn't give all the information about cover or exclusions. The start of the IPID says:

- *'The information provided in this document is a summary of the key features and exclusions of the policy and does not form part of the contract between us. Full details about the product are provided in your policy documents.'*

I think the IPID is clear that Mr I needed to refer to his policy documents to see what his policy covered.

The 'Cancellation or Curtailment' section provides cover for cancelling a trip, subject to the policy terms, if cancellation is caused by one of the insured events set out in the policy terms. The reason Mr I's flight and trip was cancelled was due to a power outage at the airport, which isn't an insured event under the 'Cancellation or Curtailment' section. So his claim isn't covered by that policy section and IPA acted reasonably by not assessing and not paying the claim under the 'Cancellation or Curtailment' policy section.

The policy document says '*Some sections are optional and these are marked * - your policy schedule will show if you selected any of these options*'. The benefit table in the policy shows travel disruption cover marked *. The relevant policy section heading says 'Travel disruption cover (only operative if indicated in the schedule)'. The travel disruption cover is optional and Mr I's policy schedule shows that he didn't select any optional cover. As he didn't buy the cover available under the 'Travel disruption cover' policy section the claim can't be considered under that section. IPA acted reasonably by not assessing and not paying the claim under the 'Travel disruption cover' policy section.

The only policy section that might have covered Mr I's claim was the 'Delayed departure' section which says:

'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 11 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 of or a technical fault occurring in the public transport on which you are booked to travel.*

We will pay you:

- 1. £20 for the first completed 11 hours delay and £20 for each full 11 hours delay after that, up to a maximum of £300...provided you eventually travel.*
- 2. Up to £3,000 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 11 hours.*
 - b. Following cancellation, no suitable alternative public transport is provided within 11 hours of the scheduled time of departure. You choose to cancel your trip before departure from the United Kingdom...'*

The 'Delayed departure' section provides delay benefits payment (up to £300) if there's a delay over 11 hours if Mr I '*eventually travels*' or '*irrecoverable unused travel and accommodation costs*' after a 11 hour delay if he chose to cancel the trip.

However, the cover only applies if the delayed departure was due to one of the three insured events set out in the 'Delayed departure' section that I've detailed above. The cause of Mr I's flight delay/cancellation was a fire then power outage at the outbound airport. As the flight delay/cancellation wasn't caused by one of the insured events under the 'Delayed departure' policy section IPA correctly said the cause of the claim wasn't covered by the policy. It correctly declined the claim in line with the policy wording.

IPA didn't need to consider, or rely on, the 'recoverable costs exclusion'. An insurer need only consider whether or not the costs are recoverable from elsewhere if the cost is covered by the policy. Mr I's claimed for costs aren't covered by the policy.

I've also considered what's fair and reasonable in all the circumstances of the complaint.

The cause of the claim, the power outage at the airport was unforeseen, out of Mr I's control and caused him significant disruption. But that doesn't mean IPA has to cover or pay his claim. Even if the policy was marketed as comprehensive cover, travel insurance doesn't cover every scenario a consumer will face. It's for insurers to decide what risks they want to insure, and the risks IPA wants to insure for flight delay/cancellation are clearly set out in this policy. The risks IPA wants to insure don't include the cause of Mr I's claim. The insured events for travel delay in this policy aren't unusual for travel insurance policies.

Mr I referred to Ombudsman decisions from this service about volcanic-ash disruption and Covid-19 which he says found that where exclusions weren't clearly highlighted consumers had a reasonable expectation of cover. Generally our Ombudsman decisions aren't precedents. The circumstances of those complaints are different to this complaint and I make my decision on the individual circumstances of each complaint. I don't think those decisions support that IPA unreasonably declined this claim.

The airline, accommodation and credit-card providers may have told Mr I to contact his travel insurance when they refused to pay his costs but that wasn't a guarantee IPA would cover the claim. IPA acted fairly and reasonably in assessing the claim to see if it was covered under the policy terms, and it wasn't covered.

Where I consider policy wording to be ambiguous I generally consider it fair that the wording is read in the consumer's favour. I'm satisfied the policy wording under the 'Delayed departure' policy section isn't ambiguous. It clearly sets out the insured events that are covered.

Mr I says a reasonable consumer would understand '*technical fault*', which the policy covers, to include the aviation infrastructure needed for a flight to operate. I don't agree. The policy wording says '*technical fault occurring in the public transport on which you are booked to travel*', which clearly relates to the aircraft on which Mr I was due to travel and not the airport infrastructure. I've seen no evidence of a technical fault with the aircraft on which Mr I was due to travel.

Mr I also says IPA not specifically excluding his circumstances means it's acted unfairly. But IPA didn't need to specifically exclude the reason for Mr I's claim for it not to be covered. It's not practical nor reasonable for an insurer to list all the circumstances a policy won't cover. The starting point for insurers and policyholders to see if a claim is covered by the policy is to see if the circumstances are one of the insured events in the policy terms. If they are an insured event the next step is to consider if one of the exclusions in the policy applies. Mr I's situation wasn't an insured event so there was no cover under the policy. Also, the policy has a section called 'What is not covered - applicable to all sections of the policy' which says:

'Non listed peril

Under all sections, any claim arising from a reason not listed under What is covered'.

The policy doesn't cover Mr I's circumstances but I don't agree that means the policy provides no meaningful cover. The policy covers a wide range of insured events as set out in the policy.

I've seen no evidence to support Mr I's suggestion that IPA acted unfairly or unreasonably or contrary to its regulatory requirements. In my view IPA didn't act in breach of the Consumer Rights Act 2015 requirements. I'm satisfied IPA fairly handled Mr I's claim and reasonably declined the claim.

I only award compensation for distress and inconvenience when that's been caused by the unreasonable action of an insurer. IPA hasn't acted unfairly or unreasonably and there's no basis for me to say it has to pay compensation to Mr I.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 3 March 2026.

Nicola Sisk
Ombudsman