

The complaint

Ms S is unhappy that Inter Partner Assistance SA (IPA) haven't fully settled a claim she made on her travel insurance policy and with delays in settling it.

What happened

Ms S claimed on her travel insurance policy after she had to cancel a planned trip with her fiancé. She wanted to claim for accommodation, train tickets and the cost of the unused tickets for a sporting event.

IPA proportionately settled the claim after some delays. Ms S complained and IPA acknowledged there had been delays. They paid Ms S £150 compensation for the customer services issues but maintained their settlement of the claim was fair as Ms S' fiancé wasn't named on the policy.

Our investigator looked into what happened and partly upheld the complaint. As the evidence demonstrated that Ms S had paid the costs in full (as a birthday gift). And, as the policy terms didn't exclude costs incurred when paying for a trip as a gift, she didn't think it was reasonable to proportionately settle the claim. However, she thought the compensation offered in relation to the customer service issues was fair.

IPA didn't agree and asked an ombudsman to review the complaint. In summary, they said the terms state that only the insured proportion of the costs and coverage extends solely to those named on the policy. As Ms S' fiancé wasn't named on the policy schedule they didn't think they should be liable for his share of the costs.

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 that IPA has a responsibility to handle claims promptly and fairly. I've also considered the Consumer Duty principles, when making my final decision.

There's no dispute an insured event occurred and that Ms S could make a claim in the circumstances. The key issue for me to determine is whether the proportionate settlement was fair.

The policy terms and conditions say:

Cancellation

We will pay you up to £2,000 for your proportion only of any irrecoverable unused travel and accommodation costs (including excursions paid or are contracted to pay, together with your proportion only of any reasonable additional travel expenses incurred if cancellation of the trip or one-way trip is necessary and unavoidable as a result of any of the following events:

1. The death, bodily injury, illness, disease, or complications of pregnancy of:

a. You.

'You/Your(s)/Yourself/Insured person(s) is defined as:

Each person travelling on a trip or one-way trip whose name appears in the policy schedule...

I'm partly upholding this complaint as I don't think the proportionate settlement is fair in the circumstances of this case. I say that because:

- The policy terms say that the policy covers 'your proportion only' of irrecoverable unused costs. The evidence which I've seen suggests that Ms S, as the insured person, paid for all of the expenses as a gift and wasn't able to recover them from elsewhere. There's no evidence that Ms S's fiancé repaid her, or intend to repay her, or that he has covered costs relating to his share of the costs under a different insurance policy. So, I think it's reasonable to conclude, in these particular circumstances, that the full cost was her proportion.
- In any event, the policy doesn't specify or make it clear how holidays paid for as gifts will be considered. For example, there isn't a general exclusion for holidays paid for as gifts. Therefore, I don't think it would have been clear to Ms S that the policy wouldn't cover her in such circumstances.
- Any ambiguity in the policy terms is interpreted in Ms S's favour. So, I think it's fair and reasonable for IPA to cover the costs of her fiancé, in line with the remaining policy terms and limits.
- IPA accepts that there were delays and other customer service failing. I think the total of £150 compensation already paid fairly reflects the impact on Ms S. She had a disappointing and frustrating experience because of how her claim was handled and think this was avoidable.

Putting things right

IPA needs to put things right by:

- Settling the outstanding costs in line with the remaining policy terms and limits.
- Adding simple interest at 8% per year from one month after the evidence of the sports tickets were received until the date of settlement. If IPA considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Ms S how much it's taken off. It should also give her a certificate showing this if she asks for one. That way Ms S can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I'm partly upholding this complaint and direct Inter Partner Assistance SA to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 24 February 2026.

Anna Wilshaw
Ombudsman