

## **The complaint**

Mr and Mrs T complains that Inter Partner Assistance SA (IPA) has unreasonably delayed the settlement of a medical expenses claim they made on a travel insurance policy. They say this has caused them a great deal of distress and inconvenience.

## **What happened**

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the main events.

Mr and Mrs T hold travel insurance as a benefit of their charge card account.

In July 2024, Mr and Mrs T were abroad in a country I'll call A with their baby. Unfortunately, they became unwell and Mr and Mrs T's baby was admitted to hospital as an in-patient for treatment. Mr and Mrs T contacted IPA to make a claim on the policy.

IPA accepted Mr and Mrs T's claim and agreed to cover the costs of the medical treatment Mr and Mrs T's baby had needed. IPA told Mr and Mrs T that it would settle the medical expenses directly with the treating hospital.

However, in October 2024, Mr and Mrs T received a request for payment from the hospital. Despite IPA informing them that it would arrange payment, Mr and Mrs T continued to receive bills directly from the hospital and correspondence from a debt collection agency.

As they were very unhappy with the way IPA had handled the claim and as the matter had had an impact on their mental health, Mr and Mrs T complained. IPA told them that one bill remained outstanding, which would be paid and that it would contact the debt collection agency to ensure no further notices were sent to Mr and Mrs T. It paid Mr and Mrs T £500 compensation to reflect the trouble and upset its actions had caused them.

Remaining unhappy with IPA's position, Mr and Mrs T asked us to look into their complaint.

Our investigator didn't think IPA had made a fair offer to settle Mr and Mrs T's complaint. He felt that it should have taken more proactive steps to ensure that it communicated directly with the treating hospital to confirm that it would be managing the claim. He considered its failure to do so had caused Mr and Mrs T unnecessary, significant trouble and upset, which he was satisfied had impacted on their health. On that basis, he recommended that IPA should pay Mr and Mrs T total compensation of £1000 and settle the outstanding bill.

Mr and Mrs T didn't accept the investigator's view. They provided evidence that in October 2025, they'd received two further debt collection notices relating to the medical treatment their baby had received. They also provided additional medical and other evidence of a further deterioration in their mental health. They felt a compensatory award of £7000 to £10,000 would be more appropriate to reflect the impact IPA's actions had had on them.

We provided IPA with copies of the further debt collection letters Mr and Mrs T had received and we asked it to check what, if any, costs remained outstanding. We also asked IPA

whether, in the circumstances of this complaint, it would agree to let us consider the further request for payment Mr and Mrs T had received.

IPA agreed that I could consider the further payment demands Mr and Mrs T had received. It said there was an outstanding amount of \$679, which it had passed to its payments team. It also said it was looking into an additional amount of \$850.

The complaint was passed to me to decide.

I issued a provisional decision on 16 December 2025, which explained the reasons why I planned to direct IPA to pay Mr and Mrs T £1500 compensation and to deal with any outstanding medical bills. I said:

*'First, I'd like to reassure Mr and Mrs T that while I've summarised the background to their complaint and their very detailed submission to us, I've carefully considered all they've said and sent us. It's clear this situation has been very distressing for them both and I was very sorry to hear about the impact the matter has had on their mental health. In this decision though, I haven't commented on every point they've raised. Instead, I've focused on what I think are the key issues. That's to reflect our role as a quick and informal alternative to the courts.*

*It's also important that I make it clear that our compensatory awards aren't designed to punish or fine the businesses we cover. That's because we're not the industry regulator. Instead, our compensation awards are intended to proportionately reflect the distress and inconvenience we think a financial business' mistake has caused a consumer, based on their individual circumstances, and taking into account what we consider to be fair and reasonable.*

*The relevant regulator's rules say that insurers must handle claims promptly and fairly. They must also ensure that vulnerable customers are treated fairly. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think IPA treated Mr and Mrs T fairly.*

*There's no dispute that Mr and Mrs T made a valid medical expenses claim on their policy. It's also acknowledged that IPA agreed to cover the costs of the medical treatment Mr and Mrs T's baby received in hospital in A. However, given it's clear that medical bills remain unpaid almost 17 months after they were incurred, I think it's fair to say that IPA has failed to meet its regulatory obligation to settle this claim promptly and fairly.*

*As the investigator explained, it isn't unusual for travel insurance policies to include contract terms which allow them to contain the medical costs they'll ultimately pay. This is usually done by an insurer dealing directly with the treating hospital or by arranging for a local agent to negotiate more favourable rates. IPA's notes indicate that its cost containment team was reviewing the invoices, which I don't find to be unreasonable. IPA also isn't generally responsible for the communications a third-party might choose to send.*

*With that said, generally, I would expect an insurer to be able to show in such cases, that it's entered into a meaningful discussion with the treating hospital to resolve any outstanding issues; that it's made the treating facility aware that it's managing the claim and that it's directed the treating hospital to send bills directly to it rather than to the insured person. I'd also expect it to keep a consumer reasonably updated with how the claim was being managed.*

*In this case, given the treating hospital contacted Mr and Mrs T directly in October 2024, to chase up payment, it seems IPA didn't make its own management of the claim sufficiently*

clear at the outset. And IPA accepts that it didn't contact the treating hospital in October 2024 either, to tell it to send any outstanding bills directly to IPA's team or to tell it not to contact Mr and Mrs T directly. This resulted in Mr and Mrs T receiving more payment demands, including from debt collectors, in June and July 2025. IPA's notes show that Mr T called its team, more than once, during the summer of 2025 to explain the situation. The notes also show that he very clearly told the claims team that the situation was impacting on his mental health and causing him stress. So I think that given Mr T had told IPA he was in a vulnerable situation, it ought to have ensured that it contacted the hospital - as a matter of priority - to request that all correspondence should be sent to it, rather than to Mr and Mrs T.

IPA's final response letter of July 2025 indicated that the outstanding bill would be paid and that it had directed its claims teams to tell the debt collection agencies to redirect any payment requests to it. But it's clear that didn't happen. I say that because Mr and Mrs T have now provided us with evidence of further debt collection letters they received in October 2025 – three months after they were assured that they wouldn't receive further demands. IPA's notes also make it clear that appropriate contact wasn't made with the treating hospital in July 2025 to tell it to send any further bills to its own team, rather than sending payment demands to Mr and Mrs T. In my view, this was a significant, further error by IPA in its handling of this claim, on top of the earlier claim settlement delays it had already caused.

So I need to decide what I think fair compensation should be in these particular circumstances and taking into account Mr and Mrs T's personal situations. As I've said, IPA has already paid Mr and Mrs T £500 compensation to reflect the mistakes it accepts it made.

However, in this case, I don't think such an award goes far enough to reflect the upset its handling of the claim has caused Mr and Mrs T. It isn't simply that Mr and Mrs T have been put to unnecessary frustration and inconvenience in contacting IPA to chase up payment of the outstanding bills. In this case, I think the evidence indicates IPA's failure to promptly settle the claim and handle it fairly caused Mr and Mrs T real distress. As I've said, Mr T told IPA that the matter was causing him stress and had impacted on his mental health. Mrs T says her own mental health has also been negatively affected by the situation. Mr T's doctor has provided two letters – one dated August 2025 and one dated October 2025, detailing the impact IPA's handling of the claim has had on him. In the first letter, the doctor said:

*'(Mr T's) mental health has been exacerbated by recent event [sic] to include debt collection agency letter and he now struggles with sleep, disassociating with friends and being more isolated.'*

And in October 2025, the doctor stated that Mr T's anti-depressant dosage had had to be increased and that he'd been referred for talking therapy. Again, the doctor said:

*'(Mr T's) mental health has been exacerbated by recent event [sic] to include debt collection agency letter.'*

*We would be most grateful for your considering of the impact this has had on his mental health.'*

Mrs T told us that the situation had left her with severe anxiety, depression and panic (having suffered from post-natal depression), had tarnished her memories of motherhood and affected her marriage.

In my view, there is clear medical evidence which attributes an exacerbation of Mr T's mental health concerns to IPA's actions. I'm satisfied IPA had a real chance to ensure it appropriately managed the claim, particularly when Mr T originally made it aware of the

*impact the situation was having on his health in July 2025, but it failed to take action to do so. While I think Mr and Mrs T had been repeatedly reassured that IPA was responsible for paying any outstanding bills, IPA should have made this clear to the treating hospital and ensured that the outstanding bill it had identified was promptly settled. It didn't take either action.*

*Mr and Mrs T have told us why this situation was so difficult for them, given past experiences, and I accept their testimony. I think IPA didn't do enough to prevent them being caused additional, avoidable trouble and upset when it had the chance to do so. So I'm currently persuaded that £1000 total compensation doesn't go far enough to put things right, either.*

### **Putting things right**

*I've taken into account all of the available evidence. And I currently think a total award of £1500 (less the £500 IPA's already paid) is a fair, reasonable and proportionate award to reflect the trouble and upset I find its claims handling caused them up to this point. So I'm planning to direct IPA to pay Mr and Mrs T this amount.*

*IPA acknowledges that bills remain unpaid. So I'm also planning to direct IPA to:*

- *Contact the treating hospital and debt collectors to confirm its liability for the claim and to confirm that no further correspondence should be sent to Mr and Mrs T;*
- *Pay the outstanding bill of \$679 in line with the remaining terms and conditions of the policy and;*
- *Consider the additional amount of \$850 as a matter of priority and confirm in response to my provisional decision whether it is payable under the policy terms. If so, I will direct IPA to also settle this bill, in line with the contract terms, in my final decision.'*

IPA confirmed it accepted my provisional decision.

Mr and Mrs T did not accept my provisional findings. In brief, they didn't think the compensation I'd explained I planned to award reflected the adverse effects the situation had had on them. Given the impact on their health, they felt they were left to bear the consequences of IPA's actions, which had caused a deterioration in their quality of life. They also considered my proposed award was inconsistent with other compensation awards this service had made. And, Mr and Mrs T have now provided us with copies of further debt collection letters they have recently received – which they said reinforced why a significantly higher award of compensation should be paid. They didn't feel that IPA had followed the actions set out in my provisional decision.

I wrote to IPA on 19 February 2026 to explain why I felt, given the impact this matter had had on Mr and Mrs T and to bring this matter to a close, I planned to tell it to settle the additional amount of \$850, rather than reconsider it. IPA responded to say it accepted the findings I'd outlined in my provisional 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.

Having done so, while I'm sorry to disappoint Mr and Mrs T, I remain satisfied that compensation of £1500 for their distress and inconvenience is fair, reasonable and proportionate. I also find that IPA should settle the remaining, outstanding claim costs Mr

and Mrs T have been charged.

I explained in my provisional decision why I considered IPA had failed to manage this claim in line with its regulatory obligations. IPA accepted my findings on this point. I also set out why I was persuaded the medical evidence indicated that IPA's failures had not just caused Mr and Mrs T trouble and upset, it had also been a factor which exacerbated a deterioration in their mental health. I do understand what a difficult and upsetting time this has been for them and that the impact of IPA's claims handling has been ongoing for over a year. Therefore, I consider a substantial award of £1500 is appropriate to recognise that upset and worry.

On the other hand, I do need to bear in mind that Mr and Mrs T had been through a very upsetting time abroad due to the illness of their child and that this situation would always have been very stressful for them both. It's also the nature of making insurance claims that there can be some level of inconvenience for consumers. And from the evidence Mr and Mrs T have sent us, the receipt of letters during this time hasn't been constant. At times, it seems some months have passed between the receipt of a debt letter and the sending of a further letter. So I don't think I could reasonably find that IPA's errors have caused ongoing disruption to their daily life or that its actions are the main reason for the unfortunate adverse deterioration in Mr and Mrs T's mental health.

I've also noted Mr and Mrs T's comments regarding the compensation that's been awarded in other decisions issued by this Service. However, each complaint is considered on its own specific facts and circumstances and our decisions aren't intended to form precedent.

Overall, compensation at the level Mr and Mrs T are seeking simply isn't something I'd consider fair or reasonable in these circumstances. So I still find that the £1500 compensation I awarded in my provisional decision is fair and reasonable given the specific facts of this complaint.

Generally, our Service only has the power to consider events up to the date of a business' final response to a complaint, and ongoing issues can't simply be 'added on' to an existing complaint with our Service. I appreciate Mr and Mrs T would like me to take into account the debt collection letters they've received since I issued my provisional decision, as they believe them to be new and material evidence and an indication that IPA failed to comply with the provisional decision. However, my powers about what information I can consider are limited by the rules that govern our Service. And, as Mr and Mrs T didn't accept my provisional findings, IPA wasn't under any obligation to settle the complaint in line with the directions I said I planned to make. That's because it was entitled to disagree with my provisional findings and provide more evidence. Only a final decision – when accepted by a consumer – becomes legally binding on both parties. It would therefore not be reasonable or appropriate for me to effectively penalise IPA for not complying with a provisional decision which hadn't been accepted.

And, as our investigator explained, these letters represent new events which have happened since my provisional decision was issued. Following the investigator's view, we had already expanded the scope of the complaint beyond what we'd usually consider, to take into account the letters Mr and Mrs T received in October 2025. It wouldn't be appropriate for us to continue to further expand the issues I've already considered. So I won't be commenting on those letters as part of this complaint.

I would add though that IPA cannot *prevent* the debt collection agency from sending correspondence to Mr and Mrs T. Generally, in situations like these, an insurer should request that debt collection letters are sent directly to it and make it clear that it's responsible for the settlement of a claim. And I explained that I expected IPA to do so here. But it isn't

responsible for the actions of the debt collection agency if that agency chooses to continue sending direct letters to Mr and Mrs T.

Turning to the delay in settling the claim, having considered everything and having taken into account relevant regulatory rules, I find the fairest and most pragmatic way forward is for IPA to now simply settle the outstanding claim amounts, in line with the policy terms and conditions. IPA accepts this claim is covered by the policy terms and it has provided me with no compelling evidence why the additional \$850 would not be payable under the terms of the contract. Nor did it make any comment as to why the proposed direction I set out in my email of 19 February 2026 was unreasonable.

My powers allow me to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of a case. I can make a direction to require IPA to take such steps as I consider just and appropriate, regardless of whether a court could order those steps to be taken. Given the length of time that has now passed during which IPA has had the opportunity to consider the bill and/or to negotiate a compromise on the bill with the provider, I don't think it's fair or reasonable to allow IPA any further time. In my view, the settlement of the claim now will ensure the matter is brought to a close for both parties.

In summary then, my final decision is that IPA must pay Mr and Mrs T £1500 compensation (less the £500 compensation IPA previously offered if it's already been paid) and settle their outstanding medical bills.

### **Putting things right**

I now direct IPA to:

- Contact the treating hospital and debt collectors to confirm its liability for the claim and to confirm that no further correspondence should be sent to Mr and Mrs T;
- Pay the outstanding bill of \$679 in line with the remaining terms and conditions of the policy and;
- Pay the additional amount of \$850 in line with the remaining terms and conditions of the policy;
- Pay Mr and Mrs T £1500 compensation (less any compensation it's already paid).

Inter Partner Assistance SA must pay the compensation within 28 days of the date on which we tell it Mr and Mrs T accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

### **My final decision**

For the reasons I've given and in my provisional decision, my final decision is that I uphold this complaint and direct Inter Partner Assistance SA to put things right as I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 31 March 2026.

Lisa Barham  
**Ombudsman**