

The complaint

Mr A complains about the way Inter Partner Assistance SA (IPA) has handled and settled a medical expenses claim he made on a travel insurance policy.

What happened

Mr A holds travel insurance as a benefit of a charge card.

In July 2023, Mr A was abroad on holiday. He was due to fly back to the UK on 9 July 2023. Unfortunately, Mr A began to suffer from blurred vision, so he went to hospital and missed his return flight. He underwent tests and was diagnosed with vertigo. Mr A got in touch with IPA's medical assistance team to make a claim.

IPA requested a copy of Mr A's medical report from the hospital, so that it could assess his claim. This was received on 11 July 2023. Following assessment, IPA tried to get in touch with Mr A on the following day but was unsuccessful. It tried to call Mr A again on 19 July 2023 and again, wasn't able to speak to him. And on 20 July 2023, Mr A asked IPA to call him back. However, it didn't do so. Therefore, Mr A remained abroad and incurred additional accommodation and other associated expenses.

Subsequently, Mr A contacted IPA on 19 August 2023 for an update. At this point, IPA arranged a new return flight and transport for Mr A. It also agreed to cover his medical expenses. And due to its failure to call Mr A back when it should have done, it agreed to pay Mr A £150 per day for his additional accommodation and food expenses in line with the policy terms, up to the limit of £1500. It also agreed to cover Mr A's phone costs. Additionally, it paid Mr A £100 compensation.

Mr A was very unhappy with the way IPA had handled and settled his claim and he asked us to look into his complaint. He said he'd paid around £17,000 of additional expenses. And he provided us with evidence that the treating hospital was chasing him for outstanding medical costs.

Our investigator thought IPA had treated Mr A fairly. He acknowledged that IPA ought to have returned Mr A's call on 20 July 2023. But he thought that by paying what its liability under the medical expenses section of the policy would have been, it had acted reasonably to put right its mistakes. He felt it was fair for IPA to limit settlement of the additional accommodation costs to a total of £1500. That's because he didn't think there was medical evidence which indicated that Mr A had needed to remain abroad for as long as he had and he thought it would have been reasonable for Mr A to try and mitigate his losses. He was also satisfied that IPA had taken appropriate steps to ensure the hospital bill could be settled. And he noted that IPA had asked the hospital to refrain from chasing Mr A for payment.

Mr A disagreed and so the complaint's 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.

Having done so, whilst I'm very sorry to disappoint Mr A, I think IPA has already settled his complaint fairly and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that insurers must give policyholders reasonable guidance to help them to make a claim and provide them with appropriate information on its progress. I've taken these rules into account, amongst other things, when deciding whether I think IPA treated Mr A fairly.

Has IPA handled and settled the claim fairly?

I've first considered the policy terms and conditions, as these form the basis of the insurance contract. As Mr A suffered an illness while abroad, I think it was reasonable and appropriate for IPA to assess the claim in line with the 'Medical expenses and assistance' section of the policy. I've set out below the terms which I think apply to the circumstances of Mr A's claim:

'All costs must be approved in advance by Us.

If You have an accident or You are ill during Your Trip, contact Us as soon as You can on ...

By contacting Us, We will, where possible, arrange everything necessary for You including seeing a doctor or other medical professional, admission to hospital and Your medical treatment. We will also pay for necessary expenses which have been approved by Our Senior Medical Officer. When You have recovered sufficiently, if necessary We will arrange for Your travel home.

YOUR BENEFITS

You will be covered for the following:

- *Medical treatment: Up to £2,000,000 for necessary medical, surgical and hospital costs as a result of You becoming ill or being injured during Your Trip. In order for Us to evaluate the facts of the medical situation...*
- *Your travel home after treatment: We will arrange and pay for necessary costs to repatriate you to Your Country of Residence when recommended by Our Senior Medical Officer, including the cost of a medical escort if necessary...*
- ***Extend Your stay following medical treatment: Up to £150 a night (maximum 10 nights) towards meals and accommodation costs for You and one other person if Our Senior Medical Officer advises You to extend Your stay after Your treatment.'***
(My emphasis added)

In my view, in common with most other travel insurance policies available on the market, IPA's terms make it clear that it will pay medical expenses which its medical team consider to be necessary. And that it covers repatriation and extended accommodation costs – again if its medical team considers these to be medically necessary.

It's clear that in Mr A's case, he missed his original return flight because he was undergoing testing for his symptoms of blurred vision. It also appears that Mr A took reasonable and prompt steps to get in touch with IPA's assistance company in line with the policy terms.

I've listened to Mr A's calls with IPA on 10 and 11 July 2023. On 11 July 2023, he was told to send in his medical report for assessment. The call handler also made it clear that IPA's medical team would need to assess the medical report and to decide whether or not to authorise the extension of his trip. I think IPA gave Mr A appropriate information at this point and highlighted that authority to extend the trip would rest with its medical team once it had had a chance to assess the medical evidence.

IPA says that it received Mr A's report later that day and it was assessed the following day. It's unfortunate that despite IPA trying to contact Mr A to discuss the claim on 12 July 2023, it wasn't able to reach him. It doesn't appear IPA tried to contact Mr A again until 19 July 2023 – a week later. But it isn't clear why there was such a period of delay or why IPA didn't make further attempts to get in touch with Mr A during this week-long period.

As it was unable to speak with Mr A again on 19 July, IPA left him a voicemail. Mr A returned IPA's call the following day and it seems IPA said it would call Mr A back. However, it failed to do so. Again, it isn't at all clear why IPA failed to call Mr A back when it had told him it would. But it seems to me that by failing to call Mr A back, IPA didn't provide him with appropriate information about the progress of his claim or provide him with reasonable guidance about what cover he might have under the policy.

Indeed, no further contact was made until 19 August 2023, when Mr A asked IPA for an update. During that time, Mr A had remained in a hotel. At that point, IPA seems to have realised its mistakes and very quickly took steps to move the claim along. It made arrangements for Mr A to return to the UK on 20 August 2023. But IPA accepts it made clear errors in the way it handled the claim while Mr A was abroad. And I too think that there were clear failings in the medical assistance it provided. So I've thought about what IPA did to put things right and whether I think this was fair and reasonable redress in all of the circumstances.

IPA hasn't said whether or not, based on the medical report, its medical team felt Mr A would have been fit to fly back to the UK on 12 July 2023. Nor is it clear whether IPA would've concluded that it had been medically necessary for Mr A to a) be repatriated or b) extend his trip at all. It's possible that had things gone as they should have done, IPA's liability under the policy might have been minimal.

However, given its mistakes, IPA accepted Mr A's claim and treated it as if it was covered under the policy terms and as if its medical team had authorised Mr A's repatriation and extended stay. In my view, this was a fair response from IPA and put Mr A in the position he would have been in had it confirmed cover upon receipt of the medical report or shortly afterwards. It also paid Mr A the maximum policy benefit available to him under the policy terms for extended accommodation costs of £150 per day for a ten day period. Even if IPA had called Mr A back on 20 July 2023, its policy liability for his extended accommodation costs would always have been limited to a total of £1500.

I appreciate Mr A incurred extended stay costs of significantly more than this amount – he paid out around £17,000 as a result of remaining abroad until mid-August 2023. So I've considered whether I think IPA should meet all of his costs outside of the policy limits. But on the facts of this case, I don't think it would. That's because Mr A had a responsibility to mitigate his own losses. And he was aware that he was waiting to hear from IPA about the status of his claim and whether or not it had been authorised. I think IPA had highlighted to Mr A that it would be for the medical team to authorise a trip extension based on the medical report. But he hadn't been given such an authorisation and Mr A appears to have been aware of this. So while I entirely accept that IPA ought to have called Mr A back when it said it would, I don't think Mr A took reasonable or proactive steps to check his cover and limit his own potential costs. Instead, I think Mr A could have taken steps to chase up IPA far sooner

than he did.

Nor do I think the medical evidence indicates that it was necessary for Mr A to have stayed abroad as long as he did. The medical report dated 9 July 2023 shows that Mr A had been diagnosed with vertigo and that there had been no concerning findings. The report advised Mr A not to drive or to operate equipment which required concentration. But there was no written suggestion that Mr A was unfit to fly or how long it would be before he was able to do so. On that basis, I don't think it would be fair or reasonable for me to find that IPA ought to pay Mr A's food and accommodation costs for the entirety of his extended stay. That's because I simply don't think there's evidence which suggests it was medically necessary for him to remain abroad as long as he did. And, as I've said, I think Mr A could have contacted IPA for an update some days earlier than he actually did. If he'd done so, I think it's likely IPA would have been in a position to arrange Mr A's repatriation much earlier.

As such, whilst I sympathise with Mr A's position, as I appreciate he has paid out a great deal of money, I find that IPA has already settled his extended stay costs fairly. IPA has also paid Mr A £100 compensation to reflect the trouble and upset its handling of the claim has caused him. Taking into account IPA's acceptance and settlement of the claim outside of the strict policy terms together with this compensation award, I'm satisfied that IPA has paid Mr A fair, reasonable and proportionate redress.

The outstanding balance

Mr A has provided us and IPA with evidence that he's being chased by the treating hospital for an outstanding amount of around \$5866. I don't doubt this is causing Mr A additional upset and worry. I can see from IPA's claims notes that it contacted the hospital with a verification of benefits (VOB) on 19 August 2023. The VOB acts as a guarantee that IPA will cover Mr A's medical expenses. It asked the hospital to send Mr A's invoice directly to it and its third-party providers for settlement. It resent the VOB in September and October 2023. And in December 2023, it resent the VOB to the hospital again with a request to the hospital to withdraw the matter from a debt collection agency because it had already agreed to cover Mr A's claim.

I think IPA is reasonably entitled to be provided with a copy of the invoice showing the treatment Mr A actually received before it pays these costs. I'm also satisfied that it's made reasonable and appropriate steps to obtain the information it needs to settle this balance. It's also asked for debt collection activity to be stopped and made it clear that it's accepted the claim. In the circumstances, I don't find IPA has made any error here. And, at this point, I don't think I could fairly direct it to settle the balance when the treating hospital has repeatedly failed to respond with a copy of the relevant invoice or engage with IPA's payment process.

Nonetheless, I would expect IPA to continue to take reasonable and proactive steps to help Mr A to resolve this matter and to continue to try and obtain the information it needs to settle the outstanding balance. And if Mr A feels it later fails to do so or if there are any further problems with the settlement, Mr A may be able to make a new complaint to IPA about that issue alone. I'd add too that it might also speed up the process if Mr A contacts the hospital directly to request that it sends the invoice to IPA as soon as possible.

My final decision

For the reasons I've given above, my final decision is that IPA has already settled Mr A's complaint fairly and reasonably.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or

reject my decision before 28 March 2024.

Lisa Barham
Ombudsman