

## The complaint

Mr J has complained that Inter Partner Assistance SA (IPA) should pay more for a claim he made on the travel insurance policy he has linked to his bank account.

## What happened

In August 2023, Mr J lost his car keys whilst in Europe. He then did a round trip via Eurostar back to the UK to collect a spare set of keys. He therefore made a claim to IPA for expenses relating to the lost keys.

IPA paid out £250, saying that was the maximum amount payable under the policy in the circumstances. Mr J would like all of his costs to be covered.

Our investigator thought that IPA had acted reasonably in its assessment of the claim, in line with the policy terms and conditions. Mr J disagrees with the investigator's opinion and so the complaint has been passed to me for 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 carefully considered the obligations placed on IPA by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for IPA to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Looking at the policy terms, they state:

### *'Baggage*

*We will pay you, up to the amount shown in the Benefit Schedule, for the accidental loss of, theft of or damage to baggage and/or valuables. The amount payable will be the value at today's prices less a deduction for wear tear and depreciation, (or we may at our option replace, reinstate or repair the lost or damaged baggage). The maximum we will pay for any one article, pair or set of articles is equal to the Single Item Limit shown in the Benefit Schedule, The maximum we will pay for all valuables in total is equal to the valuables Limit shown in the Benefit Schedule.'*

In addition to the clause our investigator has mentioned about there being no cover for inconvenience or distress, under 'General Exclusions' it also states:

*'We will not pay for claims arising directly or indirectly from:*

*16. Any other loss, damage or additional expense following on from the event for which you are claiming, unless we provide cover under this insurance. Examples of such loss, damage or additional expense would be the cost of replacing locks after losing keys; cost incurred in preparing a claim; loss of earnings following bodily injury or illness; or loss or costs incurred arising from the interruption of your business.'*

The benefits schedule is in the form of a table that sets out the maximum amounts payable under certain heads of claim. Under 'Baggage' the maximum single item limit is stated as £250.

Looking at the policy terms, it seems the loss of the keys has been correctly assessed under the Baggage section of the policy. And it is clear that the maximum available for a single item is £250.

Whilst Mr J acknowledges that the claim has been settled in adherence with the policy terms, he thinks that IPA should do more as the circumstances were beyond the normal scope of a misplaced item.

Mr J thinks that the policy terms lack clarity and are designed to be confusing. However, I disagree. I consider they are clear in setting out what is and isn't covered, and up to what amount, in the event of a lost item.

He also thinks that the policy imposes excessive limitations and is crafted to limit the insurer's liability. As mentioned earlier, it is up to an insurer to decide what it is willing to cover and not cover, in return for an appropriate premium – as long as it sets that out clearly, which I consider that it has in this case.

Mr J thinks the £250 offered is insufficient in light of the economic climate and the rise in inflation. It's unfortunate the amount doesn't cover the costs incurred by Mr J. But I'm satisfied that IPA has paid the maximum amount that it is obligated to under the policy terms.

Mr J has talked about the security features of his car having led to a high replacement cost. I'm not sure if the estimate he has provided is just for a replacement key. Regardless of that, as set out above, the policy terms exclude additional expenses that follow on from the insured event. I'm satisfied that IPA has acted in line with the policy terms in not paying extra for replacement costs or for the cost of his travel to retrieve his spare set of keys.

This was an unfortunate event and I am sympathetic to the situation Mr J finds himself in. He obviously didn't mean to lose his keys and has been left out of pocket as a result. The question is whether the additional costs are covered under the policy terms – and unfortunately I don't think that they are.

I've also looked at the remainder of the policy wording to see if there are any other sections under which Mr J's claim could be further covered. However, the circumstances do not fall within the wider policy terms.

Whilst it will be disappointing to Mr J, I consider that the claim has been correctly assessed under the policy terms and conditions. It follows that I do not uphold the complaint.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

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

reject my decision before 20 March 2024.

Carole Clark  
**Ombudsman**