

The complaint

Mr J and Miss O complain because Inter Partner Assistance SA ('IPA') hasn't paid a claim for additional costs under their travel insurance policy.

What happened

Mr J, Miss O and two children were insured under a single trip travel insurance policy, provided by IPA. When Mr J and Miss O were returning from abroad, one of the children was denied boarding by the airline due to travel sickness. Mr J and Miss O extended their stay for two extra days and made a claim with IPA for their additional costs.

IPA said the claim wasn't covered under any section of the policy, and that there hadn't been a medical emergency. IPA also said there wasn't a medical report available from the date of the incident and there was no letter from the airline confirming that one of the children had been denied boarding. Finally, IPA said many of the items claimed for such as toys and alcohol wouldn't be covered under the policy anyway.

Mr J and Miss O complained to IPA, who paid them £100 compensation for its delays in reviewing the claim.

Unhappy, Mr J and Miss O brought the matter to the attention of our service. One of our investigators looked into what had happened and said she thought IPA should reconsider the claim. IPA didn't agree with our investigator's opinion, so the complaint was referred to me as the final stage in our process.

I made my provisional decision about the complaint earlier this month. In it, I said:

'Industry rules and guidance set out by the regulator say that insurers should handle claims promptly and fairly, shouldn't unreasonably reject a claim and should act to deliver good outcomes for retail clients. I've taken these rules and guidance into account when making my provisional decision about Mr J and Miss O's complaint.'

The section of Mr J and Miss O's policy which provides cover in the event of an extended stay abroad due to illness is 'Section B – Emergency Medical and other expenses'. The policy terms and conditions say that IPA will pay for reasonable additional and transport costs which are:

'medically necessary to treat a medical emergency ... as a result of you suffering unforeseen bodily injury, complications of pregnancy, disease and/or compulsory quarantine.'

The policy defines medical emergency as:

'a...sudden and unforeseen illness suffered by you while you are on a trip outside your home area and a registered medical practitioner tells you that you need immediate treatment or medical attention.'

The ill child in this case didn't require any medical treatment or medical attention (other than

to request a fit to fly certificate). So, I don't think the circumstances of Mr J and Miss O's claim fall within the terms and conditions of their policy, as there was no 'medical emergency'. However, under the rules that govern our service, I can depart from a strict interpretation and application of the policy terms and conditions if I think it would be fair and reasonable in the circumstances to do so.

I've considered all the available evidence provided in connection with this claim. The airline has provided detailed confirmation that the ill child was denied boarding and would require a fit to fly certificate. IPA also advised Mr J and Miss O on the day of the incident that they'd need a medical report. So, Mr J and Miss O obtained a medical report and fit to fly certificate. This is dated the day after the incident when the child had already recovered and documents self-reported symptoms but, considering the circumstances of the claim, the nature of the illness involved and the advice given to Mr J and Miss O by both the airline and IPA, I can understand why this is the case.

I'm satisfied, based on all the evidence I've seen, that it was medically necessary for Mr J and Miss O to unforeseeably and unavoidably extend their trip. So, I think it would be fair and reasonable in the circumstances for IPA to treat this claim as being covered and pay the claim under 'Section B - Emergency medical and other expenses'.

IPA has said it doesn't think it should have to pay interest on any claim payment being made to Mr J and Miss O, as it considers that the information provided by the airline constitutes new evidence. I disagree. While IPA referenced needing a letter from the airline in its initial claim decline, multiple other reasons for the claim decline were also given and IPA is still maintaining that this claim shouldn't be paid – so I'm not satisfied that IPA would in fact have accepted this claim if it had sight of the information from the airline at an earlier point. I therefore think it would be fair and reasonable in the circumstances for IPA to pay interest in line with our usual, published approach.

I should point out to Mr J and Miss O that it's unlikely that all the costs they're claiming for will be paid. Travel insurance cover in the event of an extended stay is generally limited to reasonable additional travel and accommodation expenses only. If there's any subsequent dispute about the amount of the claim settlement paid to Mr J and Miss O then this would need to be directed to IPA as a new complaint in the first instance before this service would have the power to consider the matter.

Having taken into account the delays and communication failings in this case, I'm satisfied that the payment of £100 which IPA has already made is fair and reasonable compensation in the circumstances for the impact of the situation on Mr J and Miss O.'

Miss O, on behalf of herself and Mr J, said she had nothing further to add to my provisional findings. IPA said the same.

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.

As neither party has provided any new information or additional evidence in response to my provisional findings, I see no reason to change my provisional decision.

Putting things right

Inter Partner Assistance SA needs to put things right by paying Mr J and Miss O's claim, subject to the remaining terms and conditions of the policy.

Inter Partner Assistance SA must add interest to the claim payment at 8% simple per annum from one month after the date the claim was made until the date the settlement is paid¹.

My final decision

I'm upholding Mr J and Miss O's complaint about Inter Partner Assistance SA and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Miss O to accept or reject my decision before 10 April 2024.

Leah Nagle
Ombudsman

¹ If Inter Partner Assistance SA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr J and Miss O how much it has taken off. It should also give Mr J and Miss O a tax deduction certificate if they require one, so they can reclaim the tax from HM Revenue & Customs if appropriate.