

The complaint

Mr and Mrs D and family have complained that Inter Partner Assistance SA (IPA) hasn't fully settled a claim they made on a travel insurance policy.

Mr and Mrs D were travelling with their four children. As three of the children are over the age of 16, they have been added as co-complainants. However, as it is Mr and Mrs D leading on the complaint, I will mostly just be referring to them in this decision.

What happened

The family were on a trip abroad and due to return home on Tuesday 10 October 2023. Due to violent conflict breaking out, the airline cancelled the return flight.

Mr D rang IPA on that date to find out if he was covered for buying alternative flights. During one call he was incorrectly informed that flights and accommodation up to the value of £2,000 per person would be covered under the cancellation part of the policy. Mr D therefore purchased alternative flights leaving on 11 October 2023 and made a claim on the policy. The claim for new flights and accommodation was approximately £4,200.

IPA declined the claim under the cancellation section of the policy on the basis that the circumstances are not covered. However, it did assess the claim under the delayed arrival section and paid a settlement amount of £900.

In response to the complaint, it accepted that the wrong information had been provided over the phone and offered £100 compensation.

Our investigator thought that IPA had settled the claim correctly. But she didn't think that £100 was sufficient compensation for the distress and inconvenience caused. So, she upheld the complaint and recommended that IPA should pay a total of £300 compensation. Mr D disagrees and would like the claim to be paid in full.

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.

IPA has accepted that it mis-informed Mr D over the phone. However, when an insurer makes a mistake, we wouldn't necessarily expect them to honour that mistake. The outcome depends on what would have happened had he not been given incorrect information.

In a couple of the calls that I've listened to that took place on 10 October 2023, Mr D says the airline had told him about the possibility of a flight the following Monday, so six days later. He tells the adviser that this is no good for him as he needs to be home earlier. He mentions his family, and especially his wife, needing to be home. So, there is a sense of urgency about getting back to the UK. And of course, I can also understand not wanting to stay in their location any longer than absolutely necessary, given the situation.

IPA concluded that its error in providing incorrect information had not made a material difference, because the family would most likely have made the decision to leave as soon as possible anyway, even knowing that they wouldn't be covered under the policy for the extra cost.

Mr and Mrs D has raised the issue of Red Cross flights being available at the cost of £300 per person. This wasn't mentioned in their complaint to IPA and so it didn't consider it as part of its response. However, our investigator has addressed it in her assessment.

Overall, I agree with our investigator that this also wouldn't have made a difference. As I understand it, they would have had to wait an unspecified amount of time to be confirmed on one of these flights. They've said that a friend waiting for a Red Cross flight and it was 'only over the weekend'. But Mr D hadn't wanted to wait until the following Monday when he thought that the airline might have a flight available then (which would have been at no extra cost), so I'm not persuaded that he'd have wanted to wait potentially even longer for a Red Cross flight.

I do appreciate that there was an affordability issue and they were concerned about the costs involved. I've heard in one of the calls that Mr D asks IPA if it could purchase the tickets on the family's behalf. Had Mr and Mrs D been given the correct information about not being covered under the policy, they would have had to weigh up a number of different factors, the cost being just one of them. There would have been extra accommodation costs whilst waiting for a flight, the £1,800 cost of the Red Cross flights and lost earnings for two members of the family. Two of the children had school which Mr and Mrs D have said they 'could not miss'. Concern about the family remaining in an uncertain situation would also have been a consideration. As I've already mentioned, there was a sense of urgency in Mr D's conversations with IPA about needing to be home earlier. So, on balance, I think that Mr and Mrs D would have made the decision to leave on 11 October 2023 anyway, even if they had known that they would have to cover the costs themselves.

I have a great deal of sympathy for Mr and Mrs D and their family. They were caught up in a difficult situation that was not of their making. Their expectations were also raised by the misinformation provided by IPA. However, the issue is whether IPA should pay the full claim as a result of its error. And, for the reasons set out above, I'm not persuaded that it should.

Turning to the settlement that IPA made for delayed arrival. I'm satisfied that the amount of £900 (£150 per person for a delay of over 36 hours but less than 48 hours) is correct, in line with the benefit amount set out in the policy.

Mr D has asked why the claim for missing their planned connection isn't covered. As our investigator has explained, the missed connection was a result of the first flight being cancelled. And the reason that flight was cancelled isn't an insured peril under the policy terms.

Mr D has also provided information about a friend who received a fuller settlement from the insurer. I don't know the circumstances of the friend's claim and can't comment on it. We look at complaints on a case by case basis and so I've considered the evidence provided in this case to reach a decision.

Having taken everything into account, I agree with our investigator that £300 is an appropriate amount to compensate Mr and Mrs D and family for the distress and inconvenience caused.

My final decision

For the reasons set out above, I consider that the claim was settled fairly, in line with the policy terms and conditions. However, its offer of compensation was insufficient and so I require Inter Partner Assistance SA to pay a total of £300 compensation for distress and inconvenience, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D, Mrs D, Miss D, Mr D and Miss D to accept or reject my decision before 2 October 2024.

Carole Clark
Ombudsman