

The complaint

Mr F has complained that Great Lakes Insurance SE have turned down his claim under his travel insurance policy

What happened

Mr F booked a holiday in February 2022 through a travel agent. He bought a travel insurance policy underwritten by Great Lakes at the same time to provide insurance cover for his trip. The holiday was due to start on 9 May 2022. Mr F had been diagnosed with a medical condition in November 2021 and told he needed surgery. He'd been placed on a waiting list for the surgery with the NHS. At the end of March 2022 Mr F's local hospital contacted him and offered him an operation date of 9 April 2022, which he accepted. He received a letter confirming this and an accompanying booklet, which made it clear the operation was routine keyhole surgery, with discharge the same day. In view of this, Mr F wasn't concerned about recovering in time for his holiday on 9 May.

Unfortunately, the operation didn't turn out to be routine and Mr F suffered complications. The complications prevented Mr F from recovering normally, and he had considerable discomfort when he was trying to walk and drive. Mr F desperately wanted to go on his holiday, but when the time came he knew it wouldn't be possible for him to do so, due to the long drive.

So, Mr F cancelled his holiday and put in a claim under his policy for the loss he'd incurred. He completed the claim form required and provided all the necessary medical evidence. And he sent all this off with a copy of the insurance policy document as requested.

The claim administrator, on behalf of Great Lakes, then sent Mr F an email declining his claim on the basis of a policy term, which they quoted and referred to as under 'Health Conditions'. They said that they'd relied on this term because the reason for the cancellation of Mr F's holiday was known about prior to him booking it.

Mr F wrote back to the claim administrator pointing out that the policy term they'd quoted did not appear anywhere in the policy document he'd been provided with when he bought the policy. The claim administrator replied a few days later saying that they were maintaining their decision to decline his claim and offered him the chance to raise a complaint with the policy administrator, who also acts for Great Lakes. Mr F did this and provided a very clear explanation of his complaint. The policy administrator then provided him with a final response letter maintaining the decision to decline the claim and quoting a different policy term, which also didn't appear in Mr F's policy.

Mr F asked us to consider his complaint. One of our investigators did this. She explained that Mr F's policy didn't actually cover losses resulting from the cancellation of his holiday, which meant Great Lakes wasn't obliged to settle his claim.

Mr F wasn't happy with the investigator's view on his complaint and asked for an ombudsman's decision. He thought she'd 'moved the goal posts', as Great Lakes administrators had never suggested that they were turning down his claim because his

policy didn't provide cancellation cover.

I issued a provisional decision on 17 November 2022 in which I set out what I'd provisionally decided as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Our investigator is right that the policy Mr F purchased via the travel agent doesn't cover cancellation. I do of course appreciate that this lack of cover wasn't the reason given by Great Lakes' claims and policy administrators for Mr F's claim being declined, but our investigators have to consider the fair and reasonable outcome in all the circumstances for any complaint. So, I don't think it would have been appropriate for our investigator to completely ignore this.

And, whilst it was obviously very frustrating for Mr F to find out at such a late stage that his claim isn't covered for a different reason, it is clear from the policy document it isn't. And I don't think it would be appropriate for me to ignore this and make Great Lakes pay a claim, when the policy terms clearly show it's not covered.

If Mr F thinks the policy he was sold was inappropriate, then he'll need to make a complaint to the business responsible for the sale of the policy. And he could then ask us to consider a complaint about this business if he's not happy with their response. I've already explained this to Mr F over the telephone.

All this having been said, I think the way Mr F's claim, and the complaint linked directly to it, was handled by Great Lakes' administrators was terrible. And Great Lakes are responsible for the actions of these parties. The policy administrators have told us that the wrong policy term was quoted as a result of 'human error'. And, whilst this can happen, the claim administrators had two opportunities to decline the claim for the right reason, as Mr F pointed out to them after the first time they declined his claim that they'd quoted a term not in his policy. And the policy administrator had a further chance to decline the claim for the right reason when Mr F complained. Yet, despite this, both administrators maintained the decision and didn't even address Mr F's point on the policy term. I think all this caused Mr F fairly significant distress and inconvenience, bearing in mind the health problems he already had. After all, he'd have been totally frustrated, upset and found it hard to understand why the administrators couldn't see they were quoting a term not in the policy. In view of this, I think Great Lakes should pay Mr F £200 in compensation for the distress and inconvenience he experienced.

I gave Mr F and Great Lakes until 1 December 2022 to provide further comments and evidence. And, neither party has provided any further comments or evidence.

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 further comments or evidence, I see no reason to depart from the outcome I provisionally decided was fair and reasonable.

Putting things right

It therefore follows that I consider the fair and reasonable outcome to Mr F's complaint is for Great Lakes to pay him £200 in compensation for the distress and inconvenience he

experienced as a result of the poor handling of his claim by their administrators.

My final decision

For the reasons set out in my provisional decision, I uphold Mr F's complaint against Great Lakes Insurance SE and award him £200 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 January 2023.

Robert Short
Ombudsman