

The complaint

Mrs and Mr C complain that Great Lakes Insurance SE declined their travel insurance claim and about its service. My references to Great Lakes include its agents.

What happened

Mrs and Mr C had an annual multi trip travel insurance policy. Great Lakes insured the relevant sections of the policy.

A few days into Mrs and Mr C's cruise he went for a shave at the onboard barbers. Mr C was tipped back in the barber's chair for about 25 minutes and when he sat back up he felt dizzy so he phoned Mrs C to help him. Mrs C says she's used to that happening as due to Mr C's past strokes he sometimes has a problem with moving his legs which passes if he can sit down and rest. Mrs C asked reception staff for a wheelchair to push him back to their cabin to rest. The reception staff refused and said she had to call the medical centre to get a wheelchair.

The ship's medical team considered Mr C may be having a stroke based on his symptoms and the medication he was taking. The ship's doctor advised that Mr C needed to be taken off the ship to a hospital for further tests and treatment. Mrs and Mr C didn't think there was anything wrong with Mr C and he just needed a rest, so they refused to go to hospital. They say the ship's doctor was over-cautious and wanted them off the ship so they were someone else's responsibility. They refused to get in the ambulance the medical team had called. Despite Mrs and Mr C's pleas to stay on the ship the housekeeper packed their bags and Mrs and Mr C say the doctor ordered them off the ship. They went to an airport where they waited many hours to take a plane to the UK, then they took a taxi home. Mrs and Mr C say they were very upset but he was physically fine.

Mrs and Mr C claimed on the policy for the unused days of their cruise and costs of the new flight and taxi home.

Great Lakes emailed Mrs and Mr C saying the claim was ready for settlement and asking for their bank details. But Great Lakes then declined the claim as it said the circumstances of the claim weren't covered by the policy – Mrs and Mr C insisted that he wasn't ill when they had to leave the ship and the policy specifically didn't cover claims arising from them acting against the advice of a doctor.

Mrs and Mr C complained to us. They want Great Lakes to pay their claim. In summary they said:

- If Mr C had gone to hospital for tests that would have cost Great Lakes a lot more money than they were claiming.
- They didn't curtail the cruise, they wanted to stay onboard to enjoy the rest of their holiday. It was the ship's staff who curtailed their holiday.
- Great Lakes hadn't come across their situation before and handled the claim poorly.

Our Investigator said Great Lakes reasonably declined the claim. But he recommended Great Lakes pay Mrs and Mr C £150 for their distress and inconvenience due to its poor claim handling.

Great Lakes accepted our Investigator's recommendation. Mrs and Mr C didn't accept and want an ombudsman's decision. They say £150 compensation isn't enough.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

I'm sorry Mrs and Mr C had such a difficult and upsetting time on their cruise which was supposed to be a celebration holiday after illness. But I think Great Lakes reasonably declined the claim. And although I think Great Lakes' service was poor I'm satisfied that its new offer of £150 compensation for its poor claim handling is fair. So I uphold the complaint in part. I'll explain why.

Claim decision

Travel insurance policies don't cover every situation in which a consumer finds themselves. Great Lakes can decide what risks it wants to cover in its insurance contract, the policy. The terms and conditions of the policy set out what Great Lakes will cover.

The policy covers curtailment of a holiday but only for specific insured events that are set out in the policy. Mrs and Mr C's holiday was curtailed because they were removed from their cruise as they didn't agree with the onboard doctor's advice that Mr C had to go to hospital, which isn't an insured event covered by the policy.

The policy does cover curtailment if Mrs and/or Mr C had '*an unforeseen illness or injury*' during the trip. But Mr and Mrs C have repeatedly said Mr C wasn't ill, he just felt dizzy which would go once he had some rest. So I can't reasonably say Mr C was ill which caused the holiday to be cut short.

The policy also sets out exclusions, which detail what Great Lakes specifically doesn't cover. As Great Lakes mentioned, one exclusion is that it won't pay for any claims '*arising from you acting against the advice of a doctor*'.

Mrs and Mr C acted against the advice of the onboard doctor by refusing to go to a hospital. They didn't think there was any reason for Mr C to go to hospital. But that doesn't change that they acted against the doctor's advice and I think the exclusion applied to the claim.

As our Investigator mentioned, there's also a policy exclusion saying Great Lakes won't pay for '*anything for which the company providing your transport or accommodation is responsible*'. Mrs and Mr C's point is that the cruise company was responsible for their having to curtail their trip so I think this exclusion also applied to the claim.

I've considered Mrs and Mr C's suggestion that if he had gone to hospital Great Lakes would have had to pay more than they were claiming. But the policy says Great Lakes won't pay for '*private medical expenses where medically suitable state treatment is available*'. I think it's probable that a state hospital would have been available for Mr C to have tests and if Mrs C had contacted Great Lakes at the time it would have arranged for him to be seen at a state

hospital. Even if not, given what happened and the specific exclusions that apply to the claim I can't fairly say Great Lakes should pay the claim.

Overall I'm satisfied Great Lakes fairly and reasonably declined the claim.

Claim handling

The £150 compensation Great Lakes has now agreed to pay is completely separate from the costs Mrs and Mr C claimed for. It's compensation to acknowledge the distress and inconvenience Great Lakes caused Mrs and Mr C due to how it handled their claim.

I think there were a few delays, especially at the start of the claim, and Mrs and Mr C sent Great Lakes several chasers for updates and correct forms. Most importantly Great Lakes used confusing wording in some emails to Mrs and Mr C, saying the claim was '*ready for settlement*' and asking for their bank details to '*raise a payment*'. Great Lakes told us it meant the claim needed to go through the authorisation process, not that it had agreed to settle and pay the claim. But I think the miscommunication meant Mrs and Mr C understandably believed Great Lakes would be paying the claim. So they had a loss of expectation and were frustrated and upset when Great Lakes then told them why it wasn't paying the claim.

Mrs and Mr C say the compensation offered isn't enough but I think £150 is a reasonable amount for their distress, inconvenience and loss of expectation caused by Great Lakes' poor claim handling.

Putting things right

Great Lakes Insurance SE must pay Mrs and Mr C £150 compensation for their distress, inconvenience and loss of expectation caused by its poor claim handling, as it's now agreed

My final decision

I partly uphold this complaint. I require Great Lakes Insurance SE to take the steps set out in the 'Putting things right' section above, as it's now agreed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 26 February 2024.

Nicola Sisk
Ombudsman