

## The complaint

Mr R is unhappy that Great Lakes Insurance SE hasn't fully settled a claim he made on his travel insurance policy.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving reasons for my 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.

The relevant rules and industry guidelines say that Great Lakes Insurance SE has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

'What is covered

The cost of the replacement, reinstatement or repair of Your Personal Possessions subject to wear and tear and depreciation.

Claims will be considered on a new for old basis provided the item is less than 1 year old at the date of the incident. All other items will be subject to a suitable deduction for wear and tear and depreciation...'

I'm upholding this complaint because:

- The policy terms say that there will be a suitable deduction for wear and tear. Great Lakes has pointed to some very general internal guidelines in support of this which they say is standard across the industry.
- I've not found the evidence provided to be compelling or persuasive evidence that, in the circumstances of this case, Great Lakes has reached a fair and reasonable outcome. I've not seen any detailed underwriting or claims guidance which supports that Mr R's claim was fairly assessed against a consistent or fair and reasonable criteria. I don't think the high-level information provided sufficiently supports that the suggested settlement is fair and reasonable. Great Lakes has been given a number of opportunities to provide this information and hasn't done so. They also didn't respond to the investigator's findings. Therefore, I'm not persuaded it's fair to apply a percentage reduction for wear and tear based on the evidence that's been provided to me.
- I do think there were unreasonable delays in asking for information from Mr R in

support of his claim which led to a considerable delay in settling the claim. Great Lakes hasn't disputed our investigator's findings on these points. I think this unreasonable delay caused Mr R some inconvenience and frustration as he was unable to replace his musical instrument as early as he could have done. And he was left without a resolution to his claim for a prolonged period of time.

### **Putting things right**

I'm upholding this complaint and direct Great Lakes to put things right by:

- reconsidering Mr R's claim for the damaged items, taking into consideration any amounts already paid in compensation by the airline for the damaged items, and without making any deductions for wear and tear
- Paying £100 compensation for the delay in settling the claim.

### **My final decision**

I'm upholding this complaint and direct Great Lakes Insurance SE 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 R to accept or reject my decision before 4 April 2024.

Anna Wilshaw  
**Ombudsman**