

The complaint

Mr R has complained that Great Lakes Insurance UK Limited declined a claim he made on his single trip travel insurance policy.

The complaint involves the actions of the policy administrators, acting on behalf of Great Lakes. To be clear, when referring to Great Lakes in this decision I am also referring to any other entities acting on its behalf.

What happened

Mr R was travelling to attend a family member's funeral. He flew out of the UK on 26 June 2023 and was due to catch a connecting flight later that same day to get him to his final destination.

Unfortunately his connecting flight was cancelled due to bad weather. Mr R was told by the airline that the next available flight wouldn't be until 29 June 2023 at the earliest. Having accepted that he would miss the funeral, he decided to return to the UK, and his travel agent was able to arrange an earlier return flight at no extra cost.

The original airline refunded £52.80. So, Mr R made a claim on his insurance policy for other outstanding costs.

Great Lakes declined the claim on the basis that the circumstances are not covered under the policy terms.

Our investigator thought it was reasonable of Great Lakes to decline the claim. Mr R disagrees and so the complaint has been passed to me for a 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.

I've carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes 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.

Great Lakes offers three levels of cover: Essentials, Classic and Deluxe. Mr R had opted for Essentials cover, which provided the lowest level of cover.

The policy terms, under section 5 - travel delay, states:

'What is covered:

PLEASE NOTE: this section of cover is only included in Classic and Deluxe policies.

We pay up to the amount shown on the table of benefits if the intended departure of your first outward or final inward international flight, sea crossing or coach or train journey forming part of a booked trip, is delayed as a direct result of strike or industrial action, adverse weather conditions, failure of air traffic control systems, an act of terrorism (affecting your return journey only), or mechanical breakdown of aircraft, sea vessel, coach or train.'

The table of benefits that appears earlier in the policy document sets out the amount of benefit available under each level of cover. Under the column for Essentials, it says there is *'no cover available'* for travel delay or missed departure.

Looking at the above terms, the circumstances likely wouldn't be covered under the Classic or Deluxe cover anyway, because delay relating to connecting flights is not covered. But additionally, I think the wording makes it clear that there is no cover at all for travel delay if you have an Essentials policy.

I've also looked at the remainder of the policy wording to see if there are any other sections under which Mr R's claim could be considered, but the circumstances he found himself in don't appear to fall within any of the other sections of cover provided by the Essentials policy.

I have a great deal of sympathy for the situation Mr R has found himself in. He missed an important funeral and was considerably inconvenienced by circumstances that were outside of his control. But the question is, are those circumstances covered by the policy terms – and I'm afraid to say that they are not.

So while I know it will be disappointing to Mr R, I'm satisfied that it was fair and reasonable for Great Lakes to decline the claim, in line with the policy terms and conditions.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 April 2024.

Carole Clark
Ombudsman