

The complaint

Mr S complains that Great Lakes Insurance SE won't pay his travel insurance claim and about its service. My references to Great Lakes include its claim handling agent.

What happened

Mr S had an annual multi trip travel insurance policy which gave cover from 20 January 2022 to 19 April 2023. The insurer was Great Lakes.

The day before Mr S was due to go on holiday, in January 2023, he felt unwell and had chest pains. Mr S had an ECG at his GP who told him to go to A&E for further tests. Mr S was medically advised not to travel.

Mr S cancelled his trip and on 20 March 2023 he claimed for the cancellation costs on his policy. In April and June 2023 Great Lakes asked Mr S for some further documentation and clarification of information about the claim, which he provided. Mr S chased Great Lakes for a decision on his claim several times.

On 20 July 2023 Great Lakes declined the claim. It said Mr S hadn't notified it of his claim within 28 days, as the policy terms required (he'd cancelled the trip on 24 January 2023 and claimed on 20 March 2023). Great Lakes added that if Mr S had a valid reason for the delay in making the claim it would review its decision.

On 25 July 2023 Mr S responded to Great Lakes saying the full wording of the policy term it referred to didn't apply to him and that in a call Great Lakes had told him there was no time limit to make a claim. He detailed how he had to wait for his GP to provide the medical certificate to send with his claim. And he referred to a call with Great Lakes on 12 July 2023 when he said he was told the claim would be paid but the claim was with the underwriters as it was for a large amount. Mr S asked Great Lakes to reconsider and pay his claim.

Great Lakes' final response letter of 12 September 2023 accepted it hadn't responded to Mr S since 25 July 2023 and apologised for its delays and poor service. It offered Mr S £100 compensation for his distress and inconvenience it had caused.

Mr S complained to us about Great Lakes' claim handling and that it hadn't paid his claim. He wants Great Lakes to improve its service to consumers who make claims and to pay his claim.

During our investigation Great Lakes accepted it shouldn't have declined the claim on the basis that Mr S had notified it of the claim outside the 28 days period. It offered to reassess the claim against the remaining policy terms and said it would need to ask Mr S for further medical evidence.

Our Investigator said Great Lakes' offer to reassess the claim was fair and it reasonably wanted further medical evidence from Mr S. He also said Great Lakes' offer of £100 compensation for Mr S' distress and inconvenience due to its poor service was fair.

Mr S disagreed and wanted an Ombudsman's decision. He added that the answers his GP had given in the medical certificate showed that the symptoms which caused the trip cancellation weren't related to a pre-existing medical condition. He said he was happy for Great Lakes to have his full medical information but it had already caused long delays and he'd asked several times if Great Lakes needed additional information but it hadn't responded.

What I provisionally decided – and why

I made a provisional decision that I was intending to say Great Lakes must pay more compensation for Mr S' distress and inconvenience and reassess the claim. I said:

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

Mr S asks that we require Great Lakes to improve its service to consumers when making claims. My role is only to decide whether the service Great Lakes gave Mr S was fair, rather than to make general requirements for Great Lakes to improve its customer service.

I think Great Lakes' offer to reassess Mr S' claim, with it requiring more medical evidence from him as part of the reassessment, is fair. But I don't think its offer of £100 compensation for Mr S' distress and inconvenience due to its poor service is reasonable. I'll explain why.

Great Lakes accepts it wrongly declined Mr S' claim on the basis that he'd sent the claim outside the 28 days period. But that doesn't mean it should now automatically pay the claim. Mr S' policy covers specified costs, to the policy limit, for cancelling a trip if he had '*unforeseen illness*'. So in principle, Mr S has a valid claim for cancellation.

However, a general condition of in the policy terms says Great Lakes won't pay:

'any claim arising directly or indirectly from a known pre-existing medical condition unless you have declared all pre-existing medical conditions to us and we have written to you accepting them'.

The policy defines a 'pre-existing medical condition' as:

- *'any past or current medical condition that has given rise to symptoms, or for which any form of treatment, or prescribed medication, medical consultation, investigation, or follow-up/check-up, has been required, or received, during the 2 years prior to the commencement of cover under this policy and/or prior to any trip: and*
- *any cardiovascular or circulatory condition (e.g. heart condition, hypertension, blood clots, raised cholesterol, stroke, aneurysm, brain haemorrhage) that has occurred at any time prior to the commencement of cover under this policy and/or prior to any trip'.*

Mr S' policy certificate shows that when he took out the policy he didn't declare any medical conditions. On the medical certificate his GP answered:

- '2018 fatty liver' to the question about whether Mr S has any chronic condition.
- 'No' to the question '*Has the patient suffered from the same or similar condition (to the chest pains) in the past?*'
- 'N/A' to the question about details of any inpatient treatment, whether Mr S was on a waiting list, or had investigation surgery, or hospital admission.

- 'Nil' to the question to give dates of any condition(s) which had been/are under supervision of a hospital/consultant/doctor or had required hospital admission or treatment in the previous 6 months.

So I understand why Mr S thinks the medical certificate shows that his chest pain symptoms which caused the trip cancellation weren't a pre-existing medical condition.

However, when assessing a trip cancellation claim caused by a medical matter it's usual and reasonable for an insurer to ask for a consumer's medical records so that it can check whether there are any issues that may affect the cover. I haven't seen evidence in the information Great Lakes has provided that shows in July 2023 it confirmed to Mr S his claim would be paid. But even if it did, I've no evidence that such a comment should override that Great Lakes needs to properly assess this claim. I'm satisfied that the fair outcome of this complaint is for Great Lakes to reassess the claim and as part of the reassessment it can reasonably require further medical evidence from Mr S.

I take Mr S' point that he'd previously asked Great Lakes whether it needed any more information to assess the claim and it didn't respond. That's because it relied on the claim being submitted after the 28 days period to decline the claim without fully assessing the claim. I appreciate it's frustrating for Mr S to now have to wait further for his claim to be properly assessed.

Great Lakes accepts that in Mr S' circumstances it shouldn't have relied on the claim being submitted after 28 days to decline the claim. As Great Lakes accepts the point I don't need to set out the parties' arguments around the relevant policy term. I think Great Lakes should have known it wasn't being reasonable at the time it declined the claim in July 2023. Around that time it should have been asking Mr S for his medical records so it could fully assess the claim.

Great Lakes' offer of £100 compensation to Mr S was due to the delays in its claim handling to July 2023. Its unreasonable decline of the claim based on the 28 days' time limit has caused further delay, it's only now that Great Lakes will be fully assessing the claim, about a year after Mr S made the claim. In these circumstances I think Great Lakes should pay Mr S a further £100 in compensation for his distress and inconvenience due to its very poor handling of his claim, so £200 in total. It's not clear whether Mr S has already received the £100 Great Lakes initially offered and the parties can clarify in response to my provisional decision.

If Great Lakes accepts Mr S' claim once fully assessed, it would be reasonable for Great Lakes to add interest to the settlement. If Mr S disagrees with Great Lakes' claim decision he can make a separate complaint on the outcome and, if necessary, make a separate complaint to this service'.

Responses to my provisional decision

Great Lakes accepted my provisional decision. Mr S said:

- He would like clarification as to why £200 compensation is fair especially given the significant amount of his claim for holiday costs.
- He'd provided all the information that Great Lakes required so he queried its reluctance to pay the claim particularly when he had comprehensive travel insurance.
- He wants Great Lakes to provide a sensible offer that goes some way to compensate his loss or reassess the claim.

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 want to be clear to Mr S that I've not said Great Lakes should pay him £200 compensation as payment for, or towards, the holiday costs he's claimed. The compensation is for his distress and inconvenience due to Great Lakes' very poor handling of his claim causing delays, which I detailed above. The compensation is completely separate to any payment of the claim Great Lakes may need to make.

The amount of compensation I've awarded is based on the amount of distress and inconvenience I think Mr S has had due to Great Lakes' poor claim handling and isn't based on the amount of the claim. Great Lakes has now accepted it should pay Mr S £200 compensation for his distress and inconvenience due to its poor service. Neither party clarified whether Mr S has already received the £100 Great Lakes initially offered. So my decision will be that Great Lakes has to pay Mr S £200 compensation in total, which would include the £100 it initially offered.

As to the claim, Mr S thinks the medical certificate shows that his chest pain symptoms which caused the trip cancellation weren't a pre-existing medical condition. But even if that's correct, when an insurer assesses a trip cancellation claim caused by a medical matter it's usual and reasonable for the insurer to ask for a consumer's medical records so that it can check whether there are any issues that may affect the cover. That's so even when a consumer has a 'comprehensive' travel insurance as all travel insurance policies have terms and conditions which set out the terms of cover. For the reasons I've given I'm satisfied that the fair outcome of this complaint as to the claim is for Great Lakes to reassess the claim in line with the remaining policy terms and conditions, and as part of the reassessment it can reasonably require further medical evidence from Mr S.

Before Mr S' complaint came to me for a decision, during our investigation Great Lakes had already said its initial reason for declining the claim was unfair so it would reassess the claim and needed to ask Mr S for further medical evidence. For the avoidance of doubt I'll include in my decision that Great Lakes needs to reassess the claim, as it's agreed to do, and that as part of the reassessment it can reasonably require further medical evidence from Mr S.

As I've said above, if Great Lakes accepts Mr S' claim once fully assessed it would be reasonable for Great Lakes to add interest to the settlement. And if when the claim is fully assessed Mr S is unhappy with Great Lakes' decision about payment of his claim, he can make a separate complaint to it about its claim decision and, if necessary, make a separate complaint to this service about that matter.

For the reasons I've given in my provisional findings and these findings I partly uphold this complaint. Great Lakes must put things right as I've detailed below.

Putting things right

Great Lakes must pay Mr S £200 compensation in total for his distress and inconvenience caused by its handling of his claim, as it's now agreed.

Great Lakes must also reassess the claim in line with the remaining policy terms and conditions, as it's agreed to do, and as part of the reassessment it can reasonably require

further medical evidence from Mr S.

My final decision

I partly uphold the complaint and require Great Lakes Insurance SE to:

- pay Mr S £200 compensation in total for his distress and inconvenience caused by its handling of his claim, which it's now agreed to do, and
- reassess Mr S' claim in line with the remaining policy terms and conditions, as it's agreed to do, and as part of the reassessment it can reasonably require further medical evidence from Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 June 2024.

Nicola Sisk
Ombudsman