

The complaint

Mrs K and Mr K complain about the way Great Lakes Insurance SE dealt with a claim on their travel insurance policy.

Any reference to Great Lakes includes those appointed to handle claims on its behalf.

What happened

As both sides are very familiar with the background of this complaint I have only set out what happened below in brief.

Mrs K, Mr K and their son (who I'll call "Master K") held an annual multi-trip travel insurance policy with Great Lakes. In July 2023 they travelled abroad for a holiday, but whilst there Master K had an accident and broke his leg.

Mrs K and Mr K contacted Great Lakes to initiate a medical assistance claim. Their claim was accepted and later settled, but the level of service provided to the family during that time fell far below the standards that should have been expected. And so, following a complaint about what had happened, Great Lakes offered £2,500 in compensation to reflect that.

Mrs K and Mr K didn't accept that offer. Instead they referred their complaint to this service and detailed the variety of impacts that Great Lakes' service failings had on them.

One of our investigators looked at what had happened. Having considered the stress, upset, and inconvenience experienced by Mrs K, Mr K and Master K they thought Great Lakes needed to do more to put things right. So they recommended an increase of £500 to the compensation already offered, taking the total award of compensation to £3,000.

Great Lakes accepted that recommendation but after much discussion Mrs K and Mr K decided not to. They didn't think it fully represented the ongoing impact they were still dealing with as a family, and so as no agreement on the amount of compensation warranted in this complaint was reached the matter was passed to me to decide.

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 I noted above, the only matter I need to determine is the amount of compensation warranted here.

That Great Lakes failed to provide the level of service Mrs K, Mr K and Master K should have expected from it isn't disputed, and I don't think it's necessary for me to recite all of the things that went wrong once again. I say this because the failings are well known to both sides, many of them were set out in some detail within the opinion issued by our investigator, and Great Lakes' final response letter addressed many of them and the impact they caused too:

“Thorough consideration of the facilities and types of planes using [X] airport would have indicated it was inadequately equipped to support [Master K’s] injury and needs. It should have been evident an Air Ambulance was always going to be the best option for [Master K].

This apparent lack of understanding of the limitations, compounded by requests to cut down [Master K’s] cast, placing you in a hotel without ensuring it was paid for sufficient time, not making arrangements to keep [Master K] sufficiently mobile to access a bathroom or food: resulted in a total breakdown of trust and communication. I can only imagine the additional stress this placed on you all.”

Great Lakes recognises that compensation is due in the circumstances of this complaint and has confirmed that learning opportunities as a result of what happened will be far reaching. I am pleased that Great Lakes recognises this and agree that compensation is warranted too.

The failings that occurred in this complaint had a significant impact on all three policy holders. All three experienced distress, inconvenience, frustration, upset and unnecessary disruption. Master K himself also experienced unnecessary pain and discomfort at times, and I am very mindful of the impact that would have had on Mrs K and Mr K too as parents.

When determining what award is warranted here I must make sure that I am solely considering the impact Great Lakes was responsible for. I mustn’t consider any impact caused by the accident or injury itself, nor the actions of the treating hospital. I must also make sure that any award I make isn’t punitive and is fair and proportionate. I don’t say this to detract from what went wrong with this claim of course, but I must bear it in mind.

Mrs K and Mr K have shared details of the ongoing impact they say they still face. For example they’ve said they’re still living with the upset of what happened to Master K and Great Lakes are to blame for his delayed recovery. They’ve said it has affected the way Mr K is perceived at work. That others could find out what happened if Mr K were to look for employment elsewhere. And that both he and Mrs K have had to take time off work as they are still finding the situation hard and tiring.

I am sorry to hear of the ongoing situation that Mrs K and Mr K have described and understand why the entirety of what happened is still causing them upset. But as I set out above I must ensure that any award I make is solely based on the mistakes that Great Lakes made.

I thank Mrs K and Mr K for talking about the ongoing impact they still feel, and genuinely empathise with the position they have described. But I’m not persuaded that I can fairly hold Great Lakes solely responsible for everything they have said they still face. Having said that, for all of the reasons given above I’m not persuaded that Great Lakes’ original offer quite reflected the impact of its mistakes on all three policy holders either. And I agree that an increase to that amount is warranted.

I think that an increase of £500, taking the total compensation to £3,000, is fair and proportionate in the circumstances of this complaint. And so that is what I will now direct Great Lakes to pay.

Putting things right

To put things right Great Lakes should pay a total of £3,000 in compensation to reflect the impact its mistakes had on all three policyholders.

My final decision

My final decision is that I uphold this complaint. Great Lakes Insurance SE should put things right in the way I have set out above.

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

Jade Alexander
Ombudsman