

The complaint

Mr and Mrs T complain that Great Lakes Insurance SE declined their claim against their travel insurance policy. Reference to Great Lakes includes its agents.

What happened

In summary, Mr and Mrs T have annual travel insurance underwritten by Great Lakes. They booked a family trip which included departure and return flights and accommodation the night before the return flight. A few weeks before the departure date, the airline changed the return flights. The changes were unacceptable to Mr and Mrs T, so they cancelled the flights. The airline issued a refund of the flight costs.

Mr and Mrs T booked new flights with a different airline. The departure time of the new return flight meant they didn't need the accommodation they'd booked at the outset. The accommodation costs were non-refundable, so Mr and Mrs T made a claim against the policy. Great Lakes declined their claim. It said that what happened here wasn't covered by the policy.

Mr and Mrs T want Great Lakes to reimburse their non-refundable accommodation costs. They say losses arising from unavoidable cancellation should be covered by the policy. Mr and Mrs T say they are out of pocket through no fault of their own.

One of our investigators looked at what had happened. She didn't think Great Lakes had acted unfairly in declining Mr and Mrs T's claim. That was because what happened here isn't covered by the policy. Mr and Mrs T asked that an ombudsman consider their complaint, so it 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.

I've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say that Great Lakes should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.

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 onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy.

I understand that Mr and Mrs T asked Great Lakes to deal with their claim under the '*Travel delay and abandonment*' section of the policy. There's cover in that section for certain unused, non-refundable costs following unavoidable delay as a result of adverse weather, strike or industrial action or mechanical breakdown of public transport. That's not what happened here. Mr and Mrs T's trip didn't occur as originally planned because the

airline changed the return flights, which wasn't acceptable to Mr and Mrs T and caused them to cancel the flights. That's not something that's covered by the policy.

There's an additional condition in this section of the policy which says it only applies when the policyholder has travelled to the point of departure and checked-in. Mr and Mrs T cancelled their original flights in early November 2023, well before their original departure date, so they didn't travel to the point of departure and check-in.

Mr and Mrs T say they cancelled their trip, so Great Lakes should consider the claim under the '*Cancellation*' section. I don't think Mr and Mrs T cancelled their trip; it went ahead as they booked alternative flights. In any event, the '*Cancellation*' section of the policy only covers unused, non-refundable accommodation expenses following the unavoidable cancellation of a trip as a result of certain, specified events, none of which occurred here.

I don't think Great Lakes was at fault in declining Mr and Mrs T's claim as what happened here isn't covered by the policy terms. I've gone on to consider whether Great Lakes should settle Mr and Mrs T's claim in any event. I've noted what Mr and Mrs T have said about their personal circumstances which meant that the rearranged flights with the original airline were not acceptable to them. I've given this matter careful consideration.

In the particular circumstances here, I don't think I can fairly direct Great Lakes to settle Mr and Mrs T's claim. That's because Great Lakes hasn't chosen to cover the risk of the event which led to the loss in this case. I don't think it would be fair or reasonable in this case to direct Great Lakes to settle Mr and Mrs T's claim as if it had agreed to cover what happened here.

I'm sorry to disappoint Mr and Mrs T but for the reasons I've explained, I don't uphold their complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 30 September 2024.

Louise Povey
Ombudsman