

The complaint

Mr M and Miss R are unhappy with the offer made by Great Lakes Insurance SE (Great Lakes) in relation to their wedding insurance claim. They're also unhappy with the overall handling of the claim.

What happened

Mr M and Miss R purchased wedding insurance in July 2019 at a cost of £156.72 for their wedding which was due to take place in June 2020. Because of Covid-19, they postponed their wedding to June 2021.

Mr M and Miss R tried to make a claim under the rearrangement part of their policy, but this was declined. Great Lakes concluded that the wedding wasn't able to go ahead as planned due to "*government regulation or act*" which it didn't provide cover for, and that it fell under a general exclusion for "*losses arising from prohibitive regulations by the government of any country.*" So Mr M and Miss R brought their complaint – about the losses associated with the rearrangement of the wedding – to us.

Great Lakes reconsidered the claim and made an offer. It agreed to pay for the flower girls' dresses, florist deposit and photographer which, after the excess had been deducted, totalled £365.25. But it said items like stationery, soft drinks and personalised items for the bridal party weren't covered. Mr M and Miss R were unhappy with this offer. And, at the time of this offer, it was unclear whether the rearranged wedding would be going ahead due to uncertainty around the easing of Covid-19 restrictions.

Ultimately Mr M and Miss R decided to cancel the wedding that had been planned and made Great Lakes aware of this. Great Lakes agreed to cover the cancellation, but the parties weren't able to reach an agreement around what should or shouldn't be paid.

Our investigator considered this complaint. She ultimately concluded that Great Lakes should refund deposits for various wedding services as well as items such as the wedding dress, bridesmaid's dresses, and the groom's suit. But she didn't think it should pay for items such as socks, underwear or accessories. She also didn't think the policy provided cover for stationery or self-catered items including food, drink, and decorations.

But Mr M and Miss R disagreed. They felt it hadn't been taken into account that they did what they could to mitigate losses which has ultimately benefited the insurer. They also felt strongly that self-catered items shouldn't be excluded from cover.

The complaint was passed to me. I got in touch with both parties, as our rules allow, in an attempt to mediate an outcome that felt fair to both sides. But, while both parties made some compromises, our informal approach reached an impasse as there were some remaining items and requirements that remained in dispute. And Mr M and Miss R didn't feel that Great Lakes had made it clear in their documentation that they'd require the items back in the event of a claim.

At that stage, Great Lakes had agreed to cover the following (subject to the return of

applicable items):

Agreed items

- Florist deposit
- Photography deposit
- Videographer deposit
- Catering deposit
- Marquee deposit
- Band deposit
- Photo booth deposit
- Place settings
- Bride and bridesmaid hair and make-up deposit
- Suit hire for best man and groom's father
- Wedding dress
- Wedding shoes
- Bridesmaid dresses
- Flower girl dresses
- Groom waistcoat
- Groom and groomsmen ties
- Groom suit
- Dated cufflinks
- Bridesmaid earrings
- Sunglasses for groomsmen
- Dated socks and underwear for groomsmen, groom, and father of the bride

It also agreed to pay £400 for the distress and inconvenience caused.

But it hadn't agreed to pay for:

Items not agreed

- Stationery
- Bridesmaid accessories (dress hangers, dressing gown, mirrors for handbags)
- Champagne and spirits
- Soft drinks, sweets and biscuits
- Wine
- Flower decorations
- Fishbowl decorations, mirror plates, water gel beads
- Baskets for flower girls

Provisional decision

I issued a provisional decision in February 2022. In this, I said:

"I'd like to start by saying that I do appreciate how disappointing it must have been for Mr M and Miss R to be unable to proceed with the wedding they'd planned due to Covid-19 – and I'm sorry to learn how much this has impacted them. But, while I empathise, it's important to remember that Great Lakes wasn't at fault for the occurrence of insured peril – i.e. that the wedding couldn't go ahead. But it is Great Lakes' responsibility as an insurer is to indemnify Mr M and Miss R in line with the terms and conditions that both parties contracted into. My provisional decision will largely focus on the remaining items that Great Lakes has said it isn't intending to cover.

Mr M and Miss R have said that they were under the impression all costs for cancellation

would be covered based on the Insurance Product Information Document (IPID) which says that the cover would pay for “costs incurred should you have to cancel or rearrange your wedding due to unforeseen circumstances”. While I appreciate it says this, I note that there’s a section entitled “Are there restrictions on cover?” where key restrictions are listed, including one about the requirement to provide evidence of contracts for goods and services. And I also must consider that the IPID provides a summary of the key information. As the document states, complete information is provided in the full policy documentation. I don’t consider this unreasonable.

Items in dispute

Mr M and Miss R accept that stationery isn’t covered by the policy, though they’ve expressed surprise at this as invitations are considered a staple item for weddings. I’ve considered the policy terms which say Great Lakes will pay for:

“any irrecoverable expenses incurred by you in respect of... flowers... caterers... and the services from any other wedding services supplier booked but not used as a direct result of the unavoidable cancellation or curtailment of the wedding...”

The list of items (which I haven’t provided in full above) doesn’t include stationery. But I’ve considered the definition of ‘wedding services’ to see if it reasonably falls under this. The policy says that wedding services:

“Shall mean the providers of professional photography and/or professional video operation; floral arrangements; wedding planning services (excludes responsibility for paying suppliers on your behalf), venue dressers and decorators; hired cars or transport; toastmaster; venue; wedding cake; ceremonial attire; catering; DJ/disco; band/musician or paid entertainment contracted directly by you to provide services at the wedding or wedding reception.”

So stationery doesn’t fall under the listed items and therefore isn’t covered by the policy. I therefore wouldn’t expect Great Lakes to provide cover for stationery, or similar items.

Similarly, Mr M and Miss R purchased items that were intended to be used as decorations. But these also aren’t listed in the policy. While the policy does refer to ‘venue dressers and decorators’ this is under the ‘wedding services’ definition, and it appears to me that this covers the cost of a contracted provider, rather than the cost of the items. So, I don’t consider these items to be covered under the policy.

I move on next to the soft drinks, sweets and biscuits. These are all items which Mr M and Miss R purchased themselves from supermarkets. These goods aren’t listed as items that would be covered under the policy. So I’ve thought about whether they could reasonably be considered as part of a ‘service’. Mr M and Miss R believe these items should be covered due to the ‘caterers’ part of the term. They’ve referenced that ‘caterers’ have been listed separately to ‘wedding services’ in the explanation around what will be covered (quoted above) which they say leads to some ambiguity around the terms.

It’s been accepted that the deposit for the contracted caterers is covered, but the policy doesn’t specifically reference ‘self-catering’. However, one of the general exclusions of the policy says the policy won’t cover “any costs where no written contractual agreement exists directly between you and the wedding services supplier”. This would suggest that self-catered items aren’t included as Mr M and Miss R haven’t contracted themselves. I’ve thought about this from a fairness perspective for completeness and, while there’s some evidence of supermarket receipts, there’s not enough here that leads me to be able to safely say that these items were purchased solely for the purpose of the wedding. As an example, one of the orders for soft drinks appears to have been delivered some six months before the

intended wedding. So, I don't think the policy requires Great Lakes to pay out for these items, and I don't think it would be fair me to ask it to pay on a 'fair and reasonable' basis.

In terms of champagne and spirits, it doesn't appear that I've received receipts for these. But, assuming they were purchased in the same way as the soft drinks, sweets and biscuits, I think the same logic as above applies – so I don't think Great Lakes should pay out for these items.

In terms of flower decorations, while it doesn't appear that I have much information about these, I think the same principle applies here to that of the catering and the other decorations. By this I mean that the policy provides cover for a service (rather than the cost of items) and only where a written contractual agreement exists. And that means I don't think these would be covered.

However, I'm minded to think the situation with the wine should be considered a bit differently. Mr M and Miss R have provided a receipt from a well-known wine merchant showing wine purchased costing in excess of £4,000 for almost 500 bottles. Despite the merchant's policy to refund a maximum of 25% of the wine, it waived this and refunded all but £270 of it. Evidence suggests that all the wine was returned but some bottles were refunded at a reduced price, meaning that Mr M and Miss R didn't retain any of the bottles. It seems clear to me, given the quantity purchased and the evidence of its return to the merchant, that the purpose of this wine was for the wedding. And there's enough information here that it could reasonably be considered a form of contract. So I'm minded to say that it would be fair and reasonable for Great Lakes should pay this £270.

The remaining items are the bridesmaid's accessories (such as dress hangers, dressing gowns and mirrors for handbags) and baskets for the flower girls. These items don't appear to be covered by the terms of the policy. However, as I've said in earlier communication, there's a particularly ambiguous definition of "ceremonial attire" which is "Clothing and accessories of the couple, attendants and the parents of the couple, whether hired or owned, and association regalia." It was the ambiguity of this term which led to the agreement to include things like socks and underwear.

On review, I think the flower girls' baskets, which haven't been specifically mentioned before, should also be included in the claim on the basis that they would be used during the ceremony. But I don't think it would be fair and reasonable to include the dress hangers, dressing gowns and mirrors. While they are accessories used by the attendants, I don't think they can be reasonably considered as required for the ceremony, which seems to be a basic requirement of this definition – ceremonial attire.

Returning items

So I'm minded to say that Great Lakes should pay out for the items it already agreed to plus those I've suggested above. But this is on the basis that items being claimed for are returned in an unworn/unused condition. Mr M and Miss R have told us that they weren't made aware of this. But this is a common requirement across the insurance industry, linked to the principle of 'betterment'. Policyholders should be indemnified i.e. be put back into the financial position they were in just before the loss. But, by allowing them to keep an item, or use an item, as well as receive payment for the cost of it, they'd effectively be financially benefiting which isn't the purpose of insurance. In this case, the loss is the wedding not being able to go ahead. So Mr M and Miss R should, in line with what the policy provides for, be put back into the position they were in before purchasing the wedding dress, the personalised socks etc. which means they should have the money that those items cost but shouldn't have the items, or use of them.

Mr M and Miss R have suggested that by not being notified of the requirement to return the items, they were mis-sold the insurance. I've let them know that if they wish to pursue a mis-sale complaint, they'd need to raise this with the seller of the policy. But I don't think that the absence of this from the policy documentation means that Great Lakes should be expected to waive this right. Mr M and Miss R have let us know that they've disposed of some of the items. But they would've been aware of an issue with their wedding proceeding before disposing of the items. And as they held this policy and intended to claim on it, I can't say it would've been unreasonable for them to have checked with the insurer being taking irreversible steps. I consider it fair and reasonable to return items to the insurer to allow them to mitigate their own losses, but also to evidence that the items hadn't been used, gifted or sold on. And I can't fairly ask the insurer to cover anything they're unable to return.

In summary, I'm minded to think Great Lakes should pay:

- *for all of the items listed in 'agreed items' list above;*
- *£270 for the wine;*
- *for the flower girls' baskets*

The above should be paid on receipt of the returned items, so Great Lakes can verify what is being returned to it and that the items are in an unworn/unused condition.

In addition, Great Lakes should pay:

- *8% simple interest on the amount payable from the date Mr M and Miss R confirmed they were cancelling the wedding rather than rearranging it, to the date of settlement;*
- *£400 for the distress and inconvenience caused*
- *Less anything that's already been paid and the excess*

I consider this fair on the basis that Mr M and Miss R have been caused considerable distress and inconvenience by the handling of this claim. But I also recognise that Great Lakes has made offers to make interim payments which appear to have been declined. And I also recognise that Great Lakes has included items in the offer which they weren't necessarily required to under the policy, such as for the marquee, which was an optional extra, and the place settings. So I'm minded to say this strikes a fair balance.

Responses to my provisional decision

Mr M and Miss R responded with some further comments which I'll summarise below:

- While they disagree with the points about stationery and self-catered items, they accept these as my interpretation of the policy wording.
- They don't think it's fair that it was their responsibility to ask the insurer whether it would want the items being claimed for back. They've said the insurer made no reference to returning the items and that the dispute had been going on for over a year before they disposed of the items. They've kept the wedding dress as they knew it had some value, as well as the wedding shoes but have disposed of many of the other items, such as the sunglasses and underwear which they say have no resale value.
- They've asked for a list of items that need to be returned so that nothing can be missed.
- They note that the wedding dress was worn for fittings and has been tailored to fit Miss R.

Great Lakes accepted the provisional 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.

Having considered everything Mr M and Miss R have put forward, I haven't found cause to reach a different outcome to that of my provisional decision – I'll explain why.

The remaining issue relates to whether Great Lakes should pay for items which have now been disposed of. I can appreciate that this matter caused Mr M and Miss R upset, and that it was an inconvenience for them to keep items for a significant period of time that they weren't going to be able to use as intended. But I have to think about what they could reasonably have been expected to do, and what's fair for both parties.

I set out within my provisional decision my stance on returning the items and why I felt this was fair. While I empathise with Mr M and Miss R and can appreciate that keeping such sentimental items was upsetting for them, I maintain that it would've been reasonable to check with the insurer before disposing of the items. So my overall stance hasn't changed and I'd only expect Great Lakes to reimburse Mr M and Miss R for items it receives back in an unused/unworn condition. I recognise that this does mean that Mr M and Miss R won't be reimbursed for some of the items. But, as I said in my provisional decision, returning the items allows the insurer to mitigate its losses and evidence that items haven't been used, gifted, or sold on.

The items that Mr M and Miss R are able to return and can expect to receive a refund for, subject to them being in an unused/unworn, are listed within the 'agreed items' above but with the addition of the flower girls' baskets. Only items that are tangible would need to be returned i.e. a deposit can't be sent to Great Lakes. I'd expect Great Lakes to contact Mr M and Miss R to let them know how to go about returning the items, with the expectation that Mr M and Miss R will co-operate. And I'd also expect Great Lakes to take a reasonable approach with regards to items that will have been worn for fittings and tailored for the wearer.

My final decision

For the reasons I've given, my decision is that I uphold this complaint and I require Great Lakes Insurance SE to do the following:

- provide a refund for all items listed (which includes deposits) within the 'agreed items' list above and also the flower girls' baskets. For physical items within this list, this is subject to receipt of the items in an unused/unworn condition;
- pay £270 for the wine;
- pay 8% simple interest on the amount payable from the date Mr M and Miss R confirmed they were cancelling the wedding rather than rearranging it, to the date of settlement (subject to co-operation regarding return of the items);
- pay £400 for the distress and inconvenience caused; and
- deduct from this amount anything that's already been paid and the excess.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss R to accept or reject my decision before 11 April 2022.

Melanie Roberts
Ombudsman