

The complaint

Mr G is unhappy that Great Lakes Insurance SE declined a claim made on his travel insurance policy.

What happened

Mr G had the benefit of an annual, 'premier', multi-trip travel insurance policy, underwritten by Great Lakes ('the policy'). The policy covered the period 15 February 2020 to 14 February 2021.

Mr G booked flights abroad to a country I'll refer to as "T", departing the UK on 24 March 2020. He was due to return to the UK towards the end of April 2020. And within two weeks of booking his flights, Mr G booked and paid for accommodation to cover part of his stay in T and an activities course. Flights and accommodation were booked separately with different providers.

On 17 March 2020, the Foreign and Commonwealth Office (FCO) advised against all but essential travel abroad due to the impact of the Covid-19 pandemic ('the FCO advice'). That included travel to T. And on 23 March 2020, the government of England announced wide-ranging restrictions on movement, commonly referred to as 'lockdown'. The government announcement included an instruction to stay at home other than for a limited list of essential reasons.

On 19 March 2020, Mr G contacted the accommodation provider to cancel his reservation because "the UK government have issued a FCO to ban all but essential travel" and enquired how he could get his money back. He also contacted the airline around the same time requesting a refund of the flight due to the FCO advice.

In early 2021, Mr G made a claim on the policy to cover his pre-paid costs. He said that his trip was cancelled due to FCO advice. Great Lakes declined the claim on the basis that this wasn't a specified, insured event under the cancellation section of the policy. It also said that the cancellation and curtailment section of the policy excludes claims relating to: *"prohibitive regulations by the government of any country, or delay or amendment of the booked Trip due to government action"*.

Unhappy, Mr G complained to Great Lakes. He also said that he'd had symptoms of Covid-19 at the time of cancelling his accommodation on 19 March 2020. Great Lakes replied saying that when Mr G submitted his claim, he gave the reason for cancellation as "FCO advice". It said it could only assess the claim based on the information submitted to it. There was no mention that he contracted Covid-19 or that this was the reason for cancellation. It went on to say:

"If you had to cancel the trip due to illness, this is something that may be covered on your policy. In order for us to re-assess your claim, we will need the attached claim form completed, which includes a medical certificate that your GP will need to complete, to confirm that you were unable to travel as a result of contracting COVID-19."

And although it concluded that the claim had been correctly declined based on the information provided, Great Lakes said it would reassess his claim on receipt of a completed medical certificate.

Mr G subsequently provided a letter from his GP. The letter reflects that Mr G contacted the surgery on 19 March 2020 and asked for advice regarding his symptoms of a Covid-19 infection. He was advised to self-isolate for a week or until symptoms subsided – in line with guidance from around that time. It also confirmed that Mr G was prescribed anti-biotics on 7 April 2020 for a chest infection following his recent Covid-19 infection.

Great Lakes maintained its position to decline the claim on the basis that the trip was cancelled prior to him contacting his GP surgery on 19 March 2021.

Mr G brought a complaint to our service. Our investigator looked into what happened and didn't think Great Lakes had acted fairly by declining Mr G's claim once Mr G had confirmed that he had contracted Covid-19 at the time his trip was cancelled and had provided Great Lakes with a letter from his GP surgery. She recommended Mr G's claim should be accepted and considered in line with the remaining terms and conditions of the policy.

Great Lakes disagreed, so Mr G's complaint has been passed to me to consider everything afresh 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.

Great Lakes has an obligation to handle claims promptly and fairly. And it shouldn't unreasonably reject a claim.

Subject to the remaining terms of the policy, pages 24 and 25 of the policy sets out the circumstances under which Great Lakes provides cover if a trip is cancelled (or curtailed).

I accept that a trip being cancelled because of a change in FCO advice isn't listed as a specific insured event. However, there is cover under this section for:

“Unforeseen illness, injury or death of You, a close Relative or any person with whom You have arranged to travel or stay during the Trip”.

When first making his claim, Mr G didn't list having contracted Covid-19 as a reason for his trip being cancelled. He'd only listed “FCO advice” as the reason.

However, in the circumstances of this particular case, I don't think Mr G's failure to mention having contracted Covid-19 as a reason for cancelling the trip to be fatal to the success of his claim. And when issuing its final response letter Great Lakes said it would reassess Mr G's claim upon receipt of a medical certificate from his GP confirming that he'd contracted Covid-19 around the time the trip was cancelled.

Mr G's GP surgery has provided a letter confirming that Mr G had contacted it on 19 March 2020 asking for “advice regarding his symptoms of a Covid infection”.

Mr G says that he'd been experiencing symptoms since around 12 March 2020. That's not reflected in the GP letter but I've got no reason to doubt what he says about that. Further, considering the guidance from around that time - to self-isolate at home and not seek

medical attention unless symptoms were severe - I think it's plausible that there isn't other supporting documentary evidence from around the time confirming Mr G's symptoms from around 12 March 2020.

It's hard to say with any certainty that there was one specific reason for Mr G's claim. I think a combination of factors – including the FCO advice issued on 17 March 2020 and having contracted Covid-19 are likely to have impacted his trip being cancelled.

But as at 19 March 2020, I'm satisfied on the balance of probabilities that he was experiencing symptoms of Covid-19 based on the contents of the GP's letter. And as he'd been advised to self-isolate for a week – or until his symptoms subsided – he would've known that it was unlikely that he'd be able to travel abroad five days later, on 24 March 2020. So, I think it's plausible that's why he contacted the accommodation provider on the same date to cancel his booking – and also requested a refund from the airline around this time too.

When contacting the accommodation provider and airline, I know Mr G said that he was cancelling his booking due to the FCO advice. But I don't think that means he wasn't also experiencing Covid-19 symptoms at the time.

So, I think the operative reason which led to Mr G's trip being cancelled on or around 19 March 2020 was his unforeseen illness and therefore, covered under the cancellation section of the policy.

The cancellation section of the policy sets out exclusions specifically relating to cancellation claims. It expressly says Mr G isn't covered for:

“prohibitive regulations by the government of any country, or delay or amendment of the booked Trip due to government action”

I'll refer to this as 'the prohibitive regulations exclusion'.

But as I'm satisfied that the main reason for Mr G's trip being cancelled on 19 March 2020 was his illness, I don't think the prohibitive regulations exclusion is relevant. And further, at the time Mr G's trip was cancelled:

- the UK hadn't entered 'lockdown' and there wasn't a government regulation restricting movement or prohibiting travel abroad – there was only FCO advice. And I don't think such advice amounts to a prohibitive regulation.
- T's government hadn't issued any prohibitive regulations preventing entry to visitors.
- The government of the country through which Mr G was due to transit when flying to T hadn't issued any prohibitive regulations. Restrictions weren't announced until 22 March 2020.

I'm also conscious that even if it was the FCO advice (and not unforeseen illness) that did result in Mr G's trip being cancelled - and this isn't listed as a specific insured event under the cancellation/curtailment section of the policy - I still don't think it would be fair for Great Lakes to decline Mr G's claim on that basis.

Having taken into account industry guidelines and the relevant law, I don't think it's

fair or reasonable in the circumstances of this case for Mr G to have no cover under the policy if the reason for his trip being cancelled was the FCO advice. That's because the policy has a general exclusion (page 49 – clause 22) which excludes:

“Any claim arising from You travelling to a country or specific area or event to which the Foreign and Commonwealth Office (www.gov.uk/foreign-travel-advice) or the World Health Organisation (www.who.int) has advised the public not to travel.”

So, if the trip was cancelled due to FCO advice, Mr G would have no cover under the policy under the cancellation/curtailment section. And if he'd decided to travel, despite the circumstances he found himself in as of 19 March 2020, Mr G also wouldn't have been covered if he'd travelled.

Mr G would have needed to cross refer between the first page of the Insurance Product Information Document (IPID) – which Mr G would've been provided with when talking out the policy – summarising the main cover and exclusions under the policy, the cancellation section of the policy and the general exclusions to understand that there was no cover if the trip was cancelled because of a change in FCO advice.

I don't think this is fair or reasonable, and I think a reasonable consumer would expect an exclusion like this to be brought to their attention in a more prominent and transparent way. Overall, I think the way the documents were presented means the combined effect of the policy wasn't clear to Mr G and I think this created a significant imbalance between the rights of the Mr G and the rights of Great Lakes.

I think it's unlikely that Mr G would have bought the policy if he'd realised there would be no cover under the policy if FCO advice changed after he'd bought the policy – particularly as there would've been travel policies available for him to buy around the time he bought the policy which would've covered such circumstances.

When deciding this case, I've taken into account that Mr G said on his claim form that he became aware that it was necessary to cancel on 2 March 2020. But looking at all the circumstances and the timeline of events, I'm satisfied this was most likely a typo or an error on Mr G's part. That's before he says he had any symptoms of Covid-19, the FCO advice and the date on which the World Health Organisation declared Covid-19 a global pandemic on 11 March 2020. I've also considered Great Lakes' references to other decisions of this service. However, I've decided this case based on its own circumstances, taking into the account the terms of the policy Mr G had the benefit of.

Putting things right

I direct Great Lakes to re-assess the claim on the basis that the circumstances are covered as an insured event under the cancellation/curtailment section of the policy and that the prohibitive regulations exclusion doesn't apply to the circumstances of this claim.

The reassessment of the claim is subject to the remaining terms and conditions of the policy – including (but not limited to) the financial limits of the cancellation/curtailment section of the policy, and any applicable excess.

My final decision

I uphold this complaint and direct Great Lakes Insurance SE to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or

reject my decision before 29 July 2022.

David Curtis-Johnson
Ombudsman