

## **The complaint**

Mr W complains that Great Lakes Insurance SE declined his pet insurance claim. My references to Great Lakes include its agents.

## **What happened**

In June 2021 Mr W bought a pet insurance policy on-line for his and his partner's dogs. He bought the optional add on of 'Travel Abroad Cover' for an additional premium. The policy renewed in June 2022. The insurer was Great Lakes. Mr W is the policyholder.

In summer 2022 while Mr W and his partner were in Switzerland one of the dogs had an accident and had vet treatment there. Mr W claimed for the vet costs of about £2,100.

Great Lakes declined the claim. It said the policy covered his dog for treatment in the UK and EU but as Switzerland wasn't in the EU there was no cover for the claim.

Mr W complained to Great Lakes. In Great Lakes' final response letter to him it apologised that the policy he saw on-line said there was cover for vet treatment worldwide as that was incorrect and would be changed. But Great Lakes said when Mr W bought and renewed the policy it emailed the correct policy document to him which didn't say cover was worldwide. Mr W should have read those policy documents to make sure the policy suited his needs and as he didn't contact Great Lakes the policy continued. Great Lakes accepted the different policy wording may have caused confusion for Mr W and it refunded the premium for the 'Travel Abroad Cover' optional add on from when the policy began, which totalled £24.60.

Mr W complained to us. In summary he said:

- He'd specifically looked for an insurance policy that provided cover while travelling as they went annually to Switzerland to visit his partner's family.
- When Great Lakes declined the claim he checked the policy wording it had emailed to him and saw there was only UK and EU cover. But he was surprised as he thought he'd bought a policy with worldwide cover so he re-looked for the information he saw when buying the policy on-line. He said that when buying the policy through the website the link to the policy to read stated there was worldwide cover, so that was different to the policy sent to him.
- He sent Great Lakes the weblink to the policy document saying there was worldwide cover and a screenshot of his policy sale process linking to that policy. Great Lakes had now removed the policy document giving worldwide cover from its website.
- He wants Great Lakes to acknowledge its mistake with the policy document, pay his claim and check if other customers have been affected by its mistake.

Our investigator said Great Lakes had unfairly declined the claim and it should pay the claim.

Great Lakes disagrees and wants an ombudman's decision. It said:

- Its complaint handler who looked into Mr W's complaint was inexperienced at the time and accepted his information and screenshot 'at face value' without referring to his 'online journey' when he bought the policy. On further investigation it couldn't prove either way if the policy with the worldwide cover wording was the one he saw when buying the policy. Mr W might have only recently searched for the old document with the worldwide cover wording on its website to support his complaint.
- The old document policy wording Mr W says he relied on also states the cover is for vet treatment in the EU.
- The information on the selection page for the 'Travel Abroad Cover' option had always clearly stated the policy gives EU cover, not worldwide cover.

### **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.

Before making my decision we told Great Lakes that from information in the policy I understand that the insurance intermediary was acting on behalf of Great Lakes when selling the policy, and it hasn't said my understanding is wrong. So I'm satisfied that Great Lakes is responsible for any error in the policy sales process.

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

I think Great Lakes unreasonably declined Mr W's claim. I'll explain why.

It's not disputed that after Mr W bought the policy and on policy renewal Great Lakes sent Mr W a policy which said:

*'What we will pay for*

*Veterinary costs abroad*

*The benefits of the "Cover if your pet needs medical treatment" section are extended to cover necessary treatments for your pet in the EU'.*

I think that policy wording is clear there's cover for treatment in the EU and, as Switzerland isn't in the EU, under that policy wording Mr W's claim wouldn't be covered.

But Mr W says that when he was buying the policy on-line there was a link which said '*read the full policy wording*' which took him to the policy which said:

*'What we will pay for*

*Veterinary costs abroad*

*The benefits of the "Cover if your pet needs medical treatment" section are extended to cover necessary treatments for your pet in the EU. Worldwide'.*

I think it's fair for Mr W to believe that policy wording says there's cover for treatment in the EU and worldwide.

I have to decide what's more likely than not to have happened in all the circumstances. Great Lakes says it can't be certain which of the policy wordings Mr W would have seen when buying the policy. As Mr W, his partner and dogs regularly travelled to Switzerland, a non-EU country, I think it's highly likely that he would have been looking for a policy that

provided worldwide cover when buying pet insurance. So I think it's more likely than not that Mr W did see the policy wording which says there is worldwide cover when he bought the policy, and that he bought the policy on the basis that it provided worldwide cover.

The policy sent to Mr W after he bought the policy and on renewal said cover was in the EU, with no mention of worldwide cover. But I think that as he reasonably believed he was covered worldwide from the policy wording he saw when buying the policy he wouldn't have reasonably needed to check that issue again.

The policy wording Mr W saw when buying the policy, and the policy wording Great Lakes sent him, both say:

*'Your limits and excess*

*Your UK vet fee cover extends in the EU'.*

Great Lakes says the 'limits and excess' policy wording should have told Mr W there was no worldwide cover, even if he saw a policy that said there was worldwide cover. But I think a consumer looking for what cover a policy provides would reasonably mainly or only look at the policy wording under the heading 'What we will pay for'. So I don't think the wording under 'Your limits and excess' heading would highlight to Mr W that cover was only for the UK and EU when the policy I think he saw says there is worldwide cover.

I accept that when Mr W was looking to select the 'Added Travel Cover' it's likely he would have seen the wording '*vet fee limit extends within the EU*'. But that wording relates to the vet fee limit rather than where there is cover. I don't think the vet fee limit wording meant Mr W should have reasonably realised that cover was only limited to the UK and EU when he'd seen the policy wording saying there was worldwide cover when he was buying the policy.

I think that Mr W being given the wrong policy wording during the sale of the policy disadvantaged him. I don't think he would have bought the policy if it had been made clear to him that the policy didn't provide worldwide cover. Great Lakes told us that Mr W has now cancelled the policy which I think supports that he only bought the policy because he thought it gave worldwide cover.

Great Lakes hasn't said it would be impossible for Mr W to get worldwide cover through an alternative policy. So I think he would have bought an alternative policy that gave worldwide cover which means his claim wouldn't have been declined just because the vet treatment was in Switzerland. That means Great Lakes refunding the cost of the 'Travel Abroad Cover' option wasn't enough to fairly put things right for Mr W.

In all the circumstances I think the fair and reasonable outcome is for Great Lakes to pay the claim as I've set out below.

We don't have the statutory power to make Great Lakes re-review any other claims its declined in the same circumstances as Mr W's claim, if any, but it may wish to do so given my findings.

### **Putting things right**

Great Lakes must pay Mr W's claim subject to the remaining policy terms, conditions and limits, plus interest as set out below. It's reasonable for Great Lakes to deduct the premium for the 'Travel Abroad Cover' option, that it refunded to Mr W, from the claim settlement as Mr W should pay the additional premium as he is getting the benefit of cover from that optional add on.

### **My final decision**

I uphold this complaint.

I require Great Lakes Insurance SE to pay the claim subject to the remaining policy terms, conditions and limits. Interest\* must be added at 8% simple a year from the date of the claim to the date of settlement. Great Lakes Insurance SE can deduct the premium for the 'Travel Abroad Cover' option, that it refunded to Mr W, from the claim settlement.

\*If Great Lakes Insurance SE considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr W how much it's taken off. It should also give Mr W a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 August 2023.

Nicola Sisk  
**Ombudsman**