

The complaint

Mr S is unhappy with the level of assistance and service provided by Great Lakes Insurance SE (Great Lakes) when he fell ill while he was abroad.

What happened

Mr S had an annual travel insurance policy which started on 31 October 2021 and ended on 30 October 2022. The underwriter of the policy is Great Lakes.

On 1 November 2021, Mr S went on his trip and was due to return on 10 November 2021.

On 7 November 2021, he was very unwell and went to hospital for treatment and where he'd stayed for two days. He tested positive for Covid-19 and had to self-isolate for 14 days. On 8 November 2021, Mr S contacted and notified Great Lakes. This meant he couldn't return to the UK as he'd planned. He had also checked out of his hotel because he was due to return to the UK on 10 November 2021. Mr S stayed in his car while waiting for a Covid-19 isolation hotel to be arranged.

Private accommodation was arranged from 11 November 2021 to 18 November 2021 for Mr S to self-isolate. As Mr S tested positive on 18 November 2021, the accommodation was extended until 21 November 2021. Mr S contacted Great Lakes on 19 November 2021 because he was unhappy with the accommodation, he said it was poor, badly maintained and he was running out of money for food. So, Great Lakes arranged a hotel near the airport, and he stayed there from 21 November to 25 November 2021.

On 22 November 2021, he tested negative for Covid-19 and returned to the UK on 25 November 2021.

Mr S says he's unhappy with the level of assistance provided by Great Lakes. He says he had to sleep in his car for three days while suitable accommodation was found for him so he could self-isolate. When he did receive the accommodation, he says the standard was very poor.

He also said he's unhappy with the settlement of his claim for costs he'd incurred while he self-isolated. Great Lakes settled some of the costs Mr S had claimed and paid him £1547.84, with a £50 excess deducted as per the policy terms and conditions.

Unhappy with Great Lakes' response, Mr S brought his complaint to this service. Our investigator looked into it and partially upheld the complaint. She recommended that Great Lakes pay Mr S £175 compensation for the impact of the accommodation issues caused between 8 November 2021 and 11 November 2021. She also recommended Great Lakes assess Mr S's claim for Covid-19 confinement benefit in line with the remaining terms and conditions of his policy.

Great Lakes accepted the recommendations, but Mr S didn't agree. He asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS'). ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

It is important to point out that we're an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Mr S. Rather it reflects the informal nature of our service, its remit and my role in it.

Having looked at what's happened, the key issue I need to decide is whether Great Lakes has considered the claim in line with the terms and conditions of Mr S' policy and whether in doing so, he has been treated fairly and reasonably.

Claim for costs

I note that Great Lakes has settled the claim for the amount of £1547.84 in line with the policy terms and conditions. I think this is fair and reasonable and in line with Mr S' policy terms and conditions.

Mr S claimed for further costs which included:

- Extended car hire.
- Calls other than those made between Great Lakes and Mr S.
- Extended airport parking.
- Food, drinks and/or toiletries.
- Mr S's return flight cost.

I've considered what is and isn't covered under the policy terms and conditions. Having done so, I agree with our investigator that the above costs are not covered under Mr S' travel policy with Great Lakes.

I note also that Great Lakes has accepted our investigator's recommendation for the claim to be assessed under "Section 20: Covid-19 cover" of the policy document. Great Lakes has agreed to settle this part of the claim in line with what's covered under the confinement benefit section and will be in touch with Mr S directly on this point. I think this is fair and reasonable in the circumstances of the complaint and as there's no further dispute to this part of the complaint, I won't be commenting on this further.

Has Great Lakes handled the claim fairly and reasonably?

I understand Great Lakes has accepted our investigator's recommendation to pay Mr S £175 compensation for how it handled the claim from 8 November 2021 to 11 November 2021. Mr S is unhappy with the £175 compensation recommended and thinks for what he went through, this amount is unfair.

I also note that between the two parties, there was a lot of communication from 8 November 2021 (when Mr S notified Great Lakes that he was unwell) until the point of him returning to the UK on 25 November 2021.

I've carefully considered what happened and looked at the timeline of the events that took place. Having done so, I agree Great Lakes could have acted more promptly in arranging alternative accommodation for Mr S as it was aware that he only had his rental car to self-isolate in, while accommodation was being arranged.

There are two specific points where I find Great Lakes could have done more to assist Mr S:

- On 9 November 2021, while Great Lakes asked Mr S to find a hotel and it also sought to seek a suitable hotel for him, it also contacted another hospital for advice. This hospital suggested Mr S return to the initial hospital he went to or another hospital to avoid him having to sleep in his car for another night. However, I can't see that Great Lakes informed Mr S that he could do this and instead carried on looking for accommodation. There was clearly a lack of communication here and had Great Lakes taken this advice from the hospital and informed Mr S, he would have better looked after instead of having to spend the day, and sleep, in the rental car. While I accept this would have been a temporary measure, it would have been better than staying in the rental car.
- I understand that Great Lakes was working in the background to find Mr S suitable accommodation. But I can see that the clinic which it worked with eventually to find the accommodation could have been contacted sooner. If that had happened, I think Mr S would not have spent as many days in the rental car as he did. It wasn't until 11 November 2021 that the clinic was contacted, and I can see Great Lakes kept in touch with the clinic thereafter. By this point, Mr S was clearly unwell and had stayed in the car for three days. I think Great Lakes could have acted sooner in contacting the clinic and had this happened, Mr S would have been in alternative accommodation sooner.

Having considered the overall impact on Mr S and how Great Lakes handled the claim, I think the offer of £175 recommended is fair and reasonable, taking into account all the evidence available.

I acknowledge Mr S suffered and went through a difficult time. I have every sympathy for him. But I can also see that for the most part, Great Lakes did try to accommodate Mr S and kept in touch with him. I think there were two points on which Great Lakes failed but I think the offer of £175 is fair and reasonable in recognition of what happened.

I also understand that the accommodation Mr S stayed in on 11 November 2021 was very poor. But as soon as he informed Great Lakes on 19 November 2021, attempts were made to find an alternative place for him to stay. So, I'm not persuaded Great Lakes failed in this regard.

Putting things right

I recommend Great Lakes pay Mr S £175 (if it hasn't already) compensation for the distress and inconvenience caused to him between 8 November 2021 to 11 November 2021.

My final decision

For the reasons given above, I partially uphold Mr S's complaint against Great Lakes Insurance SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 January 2023.

Nimisha Radia
Ombudsman