

The complaint

Mrs E complains about how Great Lakes Insurance SE dealt with a claim against her travel insurance policy. Reference to Great Lakes includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mrs E has a multi-trip policy underwritten by Great Lakes. The policy started in January 2021 and expired in March 2022. Mrs E planned a family skiing trip for February 2022 but, unfortunately, her son was injured shortly before the date of departure. Mrs E cancelled the trip.

On 28 March 2022, Mrs E made a claim against her policy. On 13 April 2022, Great Lakes asked for additional documentation. Mrs E responded on the same date. On 3 May 2022, Mrs E chased Great Lakes for a response and complained about the delay in dealing with her claim. On 13 June 2022, Great Lakes apologised for the delay and said that Mrs E's claim was being reassessed.

On 22 June 2022, Great Lakes asked Mrs E for documentation she had provided previously. Mrs E replied by return. On 12 July 2022, Great Lakes settled Mrs E's claim.

One of our investigators looked at what had happened. She didn't think that Great Lakes had treated Mrs E fairly. The investigator recommended that Great Lakes pay Mrs E compensation of £100 in relation to its delay in dealing with the claim and poor service.

Great Lakes didn't agree with the investigator. It said that whilst there had been a delay in dealing with the claim, there had been an unprecedented uptake in travel which had caused issues across the travel industry. Great Lakes said that it had apologised to Mrs E and was trying to return to its service levels. It asked that an ombudsman consider the matter, so the complaint 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.

the relevant terms and conditions

The relevant rules and industry guidance say that Great Lakes has a responsibility to handle claims promptly and fairly. It's common ground that there were delays in dealing with Mrs E's claim. Mrs E submitted her claim on 28 March 2022 and Great Lakes settled it on 12 July 2022. That's much longer than we'd expect. In addition, Great Lakes asked Mrs E to provide documentation she'd already provided.

Great Lakes handling of Mrs E's claim meant that she was kept out of the use of her money and she spent time chasing Great Lakes. That was no doubt inconvenient.

I've noted what Great Lakes says. I don't think that an apology is sufficient in this case given the level of distress and inconvenience Great Lake's handling of the claim caused Mrs E. Great Lakes says that its poor handling of the claim was because of an unprecedented uptake in travel. It hasn't supported that assertion with any evidence. In any event, I don't think that increased levels of travel justifies a three and a half month delay in handling a fairly straight forward claim. I think that compensation of £100 in relation to Mrs E's distress and inconvenience is fair and reasonable in this case. In reaching that view, I've taken into account the nature, extent and duration of Mrs E's distress and inconvenience caused by Great Lake's handling of her claim.

Mrs E has been kept out of the use of her money. To compensation for that Great Lakes should also pay interest on the amount of the settlement of the claim from the date of the claim to the date it made payment.

Putting things right

In order to put things right, Great Lakes should pay Mrs E:

- compensation of £100 in relation to her distress and inconvenience and
- interest on the settlement amount at the simple rate of 8% per year from the date she made her claim to the date it made the payment.

HM Revenue & Customs requires Great Lakes to take off tax from this interest. Great Lakes must give Mrs E a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that I uphold Mrs E's complaint. Great Lakes Insurance SE should now take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 9 February 2023.

Louise Povey
Ombudsman