

The complaint

Mr and Mrs L are unhappy with the service they received from Great Lakes Insurance SE and the settlement of their claim.

What happened

Mr and Mrs L were on a cruise holiday. Mrs L fell and sustained a serious injury to her leg. Having received some basic treatment on board the ship she was taken to a hospital on land a few days later. She was admitted to a private hospital and asked to pay a deposit of €30, 000. Mrs L was treated at the hospital and underwent surgery.

Mr and Mrs L were in contact with Great Lakes. They agreed that surgery needed to take place but wanted Mrs L to move to a public hospital. The surgery took place before Mrs L was moved. Mrs L says that the public hospital had high levels of Covid infections and that she was taken to the private hospital because the public hospital was at capacity. Mrs L said that she had to leave the private hospital earlier than planned, as she was told by Great Lakes not to make further payments. So, she had to leave without medication and assistance.

Mrs L is unhappy that Great Lakes haven't settled the claim and with the length of time it's taking to sort things out. She says this has caused her a lot of distress and she's been out of pocket for some time. Mrs L complained to Great Lakes. In their final response letter Great Lakes said they were still looking into the medical costs.

Our investigator looked into what had happened and upheld the complaint. He thought that Great Lakes should put things right by reimbursing Mrs L the amount of money they'd have paid for her treatment in a public hospital. He also recommended Great Lakes paid £300 as Mrs L's claim hadn't been progressed promptly and she'd not received updates.

Mr and Mrs L asked an ombudsman to review their complaint. Mrs L queried how the figure of £300 had been reached. She also reiterated that public hospitals were at capacity which was why she'd been taken to a private hospital.

In January 2023 I issued my provisional decision. I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The relevant rules and industry guidelines say that Great Lakes have a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions provide cover for medical expenses and assistance. The policy doesn't cover treatment in a private hospital or clinic abroad where a suitable public or state facility is available.

I'm upholding this complaint because:

- Mrs L has explained that the port authorities arranged for her to be taken to a private hospital because the public hospital was at capacity, in part due to Covid-19. I find Mrs L's testimony to be credible and persuasive. It was also around two days after she'd fallen and she'd received limited treatment. So, I think in the circumstances of this case, she acted reasonably by following the guidance of the local port authority to go to the private hospital.
- Mrs L has explained that she felt under pressure to pay the deposit when the hospital staff became aggressive and insistent that she pay. Mrs L had suffered a serious injury and needed surgery. So, I think her decision to make that payment was also reasonable in the circumstances.
- Great Lakes has said that the price Mrs L paid was extortionate and the surgery was completed before they were able to move her to a public hospital. But Great Lakes hasn't provided any persuasive evidence that a suitable public facility was available to treat Mrs L within the required timeframe. Based on the evidence available to me I don't think a suitable public or state facility was available.
- Mrs L ought to have received more help and support whilst she was abroad. Based on the evidence available to me she didn't receive a good level of service during the time she was abroad and in need of help. And Great Lakes has taken too long to settle Mrs L's claim. I think they've had enough information to settle the claim for some time. Mrs L hasn't been kept properly updated and I've seen no persuasive evidence to explain why it's taking so long to settle the claim. This has caused Mrs L a lot of distress and worry because she was concerned that she wasn't going to get the money she had paid to the hospital back.
- It's unclear exactly what expenses Mrs L has been reimbursed for already. I understand some payment has been made to her. If Great Lakes hasn't done so already it should also settle the claim for Mr and Mrs L cutting their trip short and the additional accommodation needed when Mrs L was taken from the cruise ship. As Mrs L didn't receive assistance when she was discharged from hospital, I think it's reasonable for Great Lakes to cover the cost of the taxi's she is claiming for.

Putting things right

I'm intending to direct Great Lakes to put things right by paying:

- Mrs L's claim including the private medical expenses, additional accommodation costs and taxi costs. This is subject to the remaining policy terms and limits. I'm satisfied Mrs L acted reasonably when accessing private treatment and, in any event, I'm not persuaded a suitable public facility was available to treat her.
- 8% simple interest per year on the claim settlement figure from the date that her claim was submitted to the date of settlement. Mrs L has been out of

pocket for a considerable sum of money whilst her claim has remained unpaid.

- £300 compensation for the distress and inconvenience caused by the delay in settling Mrs L's claim and the poor service she's received whilst abroad. This has caused Mrs L unnecessary distress and inconvenience.
- If Great Lakes considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mr and Mrs L how much it's taken off. It should also give them a certificate showing this if they ask for one. Mr and Mrs L can use this to try and reclaim the tax from HM Revenue & Customs.

Mr and Mrs L said they didn't have any further comments. Great Lakes didn't respond with any further comments on my 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.

Mr and Mrs L and Great Lakes didn't make any further comments on the outcome I reached in my provisional decision. That means there's no reason for me to reach a different outcome.

For the reasons I've outlined above, and in my provisional decision, I'm upholding this complaint.

Putting things right

Great Lakes needs to put things right by paying:

- Mrs L's claim including the private medical expenses, additional accommodation costs and taxi costs. This is subject to the remaining policy terms and limits. I'm satisfied Mrs L acted reasonably when accessing private treatment and, in any event, I'm not persuaded a suitable public facility was available to treat her.
- 8% simple interest per year on the claim settlement figure from the date that her claim was submitted to the date of settlement. Mrs L has been out of pocket for a considerable sum of money whilst her claim has remained unpaid.
- £300 compensation for the distress and inconvenience caused by the delay in settling Mrs L's claim and the poor service she's received whilst abroad. This has caused Mrs L unnecessary distress and inconvenience.

- If Great Lakes considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mr and Mrs L how much it's taken off. It should also give them a certificate showing this if they ask for one. Mr and Mrs L can use this to try and reclaim the tax from HM Revenue & Customs.

My final decision

I'm upholding Mr and Mrs L's complaint about Great Lakes Insurance SE and direct it to put things right in the way I've set out above.

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

Anna Wilshaw
Ombudsman