

The complaint

Mr and Mrs I complain about how Great Lakes Insurance SE dealt with a claim against their 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, in October 2021, Mr and Mrs I bought an annual travel insurance policy underwritten by Great Lakes. The policy started on 23 October 2021.

In December 2021, Mr and Mrs I booked a family trip with intended departure and return dates of 26 May 2022 and 2 June 2022 respectively. The airline cancelled Mr and Mrs I's outgoing flight. I understand that Mr and Mrs I rearranged their flights for 27 May 2022.

On 8 June 2022, Mr and Mrs I submitted a claim form to Great Lakes. It asked for some further information. Great Lakes accepts that there were some delays in dealing with the matter, which I'll refer to below.

Mr and Mrs I want compensation for their inconvenience caused by Great Lakes' unnecessary delay in dealing with their claim.

One of our investigators looked at what had happened. He thought that there had been some delays in Great Lakes' handling of the claim. The investigator recommended that it pay Mr and Mrs I compensation of £100 in relation to their inconvenience.

Mr and Mrs I didn't agree with the investigator. They said, in summary, that compensation of £100 isn't sufficient and that there has been unreasonable and extraordinary delay in dealing with their claim. Mr and Mrs I say that Great Lakes has delayed their claim so that they'll abandon it. They say that Great Lakes asked for information repeatedly and delayed their claim. Mr and Mrs I say that the amount of their claim is minimal, and they are not sure why there has been such delay.

Mr and Mrs I say that in February 2023, Great Lakes settled their claim in part. They are not happy about the settlement and have raised the matter with Great Lakes.

Mr and Mrs I asked that an ombudsman consider their complaint, so it was passed to me to decide.

In this decision, I'm dealing with Mr and Mrs I's complaint about Great Lakes' delay in dealing with their claim. Great Lakes responded to that complaint in its e-mail of 19 December 2022 to Mr I. I understand that Mr and Mrs I have concerns about the subsequent partial settlement of their claim. That's not dealt with here as Great Lakes haven't issued a final response in relation to those concerns. If Mr and Mrs I remain concerned about the amount of the settlement and are not content with Great Lakes' response to their complaint about that, they can refer the matter to this service as a new complaint.

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 rules and industry guidance say that Great Lakes has a responsibility to handle claims promptly and fairly. It's common ground here that there's been delay on Great Lakes' part in dealing with Mr and Mrs I's claim. Mr and Mrs I submitted their claim in June 2022 and it wasn't settled at the time of Great Lakes' final response to their complaint in December 2022. That's longer than we'd expect a claim of this nature to take.

I haven't seen any evidence to support Mr and Mrs I's contention that Great Lakes deliberately delayed dealing with their claim so that they would abandon it. At the outset, the extent of Mr and Mrs I's claim wasn't entirely clear. In the claim form, they appeared to claim for the total cost of flights and accommodation. But it transpired that their claim excluded flight costs as they rearranged their flights with the airline. And their claim was for the loss of one night's accommodation and additional items. It was necessary for Great Lakes to ask for further information or documentation on several occasions. I can see that Mr I responded promptly to each request. There were significant delays between Mr I's response to Great Lakes' request for information or documentation and its next request.

Great Lakes has apologised for the delay in dealing with Mr and Mrs I's claim. I don't think that's sufficient in this case. Mr and Mrs I were put to the trouble of engaging with Great Lakes over several months. Fortunately, as Mr and Mrs I have said, their claim wasn't for a large amount.

Considering everything, I think that compensation of £100 in relation to Mr and Mrs I'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 Mr and Mrs I's distress and inconvenience caused by Great Lakes' delay up to its final response to their complaint in December 2022.

Putting things right

In order to put things right, Great Lakes should pay Mr and Mrs I compensation of £100 in relation to their distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. Great Lakes Insurance SE should now take the step I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I and Mr I to accept or reject my decision before 19 June 2023.

Louise Povey
Ombudsman