

The complaint

Mr and Mrs U are unhappy with how Great Lakes Insurance SE (Great Lakes) has handled their travel insurance claim. They're unhappy with the delays and service they've received.

Any reference to Great Lakes includes all its agents.

What happened

Mr and Mrs U took out an annual travel insurance policy in October 2021. The underwriter on the policy is Great Lakes. When the policy was taken out in October 2021, it didn't include cruise cover, but this was amended by Mr and Mrs U on 2 April 2022 to include cruise cover.

Mr and Mrs U were due to go on their cruise on 30 April 2022. Mrs U was unwell on 11 April 2022 and she went into the A&E department at their nearby hospital. Due to the seriousness of her illness, Mr and Mrs U were informed they couldn't travel.

On 17 April 2022, they submitted a claim to Great Lakes for having to cancel their cruise. Great Lakes declined their claim because it said Mr and Mrs U didn't have cruise cover included on their policy. Mr and Mrs U got back in touch with Great Lakes to say they did have cruise cover on their policy and while it said it would review again, Mr and Mrs U didn't hear anything back.

In July 2022, Mr and Mrs U made a complaint to Great Lakes using this service. It issued a final response in October 2022 which apologised that the claim was initially declined incorrectly in May 2022. It confirmed the claim would be looked at as a priority and Great Lakes would be in touch again with Mr and Mrs U. In November 2022, the claim still hadn't been considered.

Our investigator looked into the complaint and upheld it. She said Mr and Mrs U had been put under considerable stress and worry. They were under a lot of stress with regards to Mrs U's health but also were having a challenging time with Great Lakes who weren't responding. They had booked a special trip and they had to cancel it due to Mrs U's illness. They also lost a considerable amount of money in the process. Our investigator said Great Lakes hadn't taken any of this into account and the impact on them has been significant. She said Great Lakes' service could have been better. She therefore recommended Great Lakes pay Mr and Mrs U £250 for the stress and worry caused to them.

Great Lakes didn't agree so the complaint has been 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.

In terms of the claim itself, my understanding is that this was now in the process of being settled and I'm pleased to see this has happened. I confirm therefore that I won't be commenting on the claim and the settlement.

I will only be looking at the way Great Lakes has handled the claim and the service received by Mr and Mrs U.

I've carefully considered what happened. I agree with our investigator that the events that led to the cruise being cancelled was already a worry and stress for Mr and Mrs U. They had booked a trip of a lifetime and having to then cancel it based on the doctor's advice must have been difficult and disappointing. Mrs U did have surgery in the end as this was the recommendation given to her. At the same time, they were not receiving responses or even correct responses from Great Lakes with regards to the claim they had submitted. I can see Mr U had managed to provide information in a timely way, but Great Lakes did not get a handle on the claim unfortunately. I think all of this had a big impact on Mr and Mrs U.

Overall, therefore, I'm satisfied that £250 is a fair and reasonable award for the stress and worry caused to Mr and Mrs U.

Putting things right

Great Lakes should now pay Mr and Mrs U £250 in recognition of the stress and worry caused to them.

My final decision

For the reasons given above, I uphold Mr and Mrs U's complaint about Great Lakes Insurance SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U and Mrs U to accept or reject my decision before 15 March 2023.

Nimisha Radia
Ombudsman