

## The complaint

Mr F1 and Mr F2 complain about the way Great Lakes Insurance SE has handled a claim they made on a travel insurance policy.

As Mr F1 made the claim and brought the complaint, I'll refer mainly to him.

## What happened

Mr F1 and Mr F2 were abroad on holiday. They were due to return to the UK on 14 May 2022. Unfortunately, on 13 May 2022, Mr F2 suffered a stroke and was admitted to hospital. I understand that Mr F1 contacted Great Lakes' medical assistance company for help. Mr F1 returned to the UK on 21 May 2022, whilst it appears that Mr F2 was later repatriated to the UK by Great Lakes. Mr F1 made a claim for the additional expenses he'd incurred whilst abroad, together with the cost of unused tickets for an evening show.

Great Lakes took some months to consider Mr F1's claim. Unhappy with the delays he'd experienced, Mr F1 asked us to consider his complaint. Subsequently, Great Lakes partially settled some costs in August 2022, but omitted some costs from the payment. In October 2022, it made a further settlement payment, including a payment for hospital benefit.

But Mr F1 remained unhappy with the settlement he'd received and the way that Great Lakes had handled his claim. He said a taxi fare and the price of the unused show tickets remained outstanding. And he said that Great Lakes hadn't fully settled the cost of his actual return flight.

Our investigator thought Mr F1's complaint should be upheld. She felt that Great Lakes should settle the costs of Mr F1's taxi from his hotel to the airport and that it should pay the cost of the unused show tickets. She recommended that Great Lakes should settle the difference between the cost of Mr F1's return flight and the amount it had paid. And she thought the delays in Great Lakes' handling of this claim had caused Mr F1 some upset and inconvenience. So she recommended that Great Lakes should also pay Mr F1 £200 compensation.

I issued a provisional decision on 21 February 2021. In my provisional decision, I explained the reasons why I didn't think Great Lakes had treated Mr F1 fairly. I said:

*'The relevant regulator's rules say that insurers must handle claims promptly and fairly, provide reasonable guidance to help a policyholder make a claim and provide appropriate information on its progress. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr F1's policy and the circumstances of his claim, to decide whether Great Lakes treated him fairly.'*

*It's common ground that Great Lakes has accepted and settled the majority of the costs that Mr F1 claimed for. So I don't propose to explore these in detail here. Instead, I will focus only on the three outstanding costs and Great Lakes' overall handling of the claim.*

*The cost of the tickets*

*Mr F1 has provided evidence that he and Mr F2 had tickets booked for an evening show on 13 May 2022. Due to Mr F2's sudden stroke and admission to hospital, understandably, neither Mr F1 nor Mr F2 could attend the show. Great Lakes says that the price of these tickets isn't covered under the medical expenses section of the policy (and I agree with this point) and that they're not covered by the 'cutting short your trip' section of the policy either.*

*However, Great Lakes has defined what it means by 'cutting short' in the policy. And part of this definition says that 'cutting short' is 'being a hospital in-patient outside your home country for a period in excess of 48 hours.' Mr F2 was admitted to hospital on 13 May 2022 for around 16 days. As such then, I think it's fair to conclude that his trip was cut short, within the meaning of the policy, at the point he became ill and was taken to hospital.*

*The 'cutting short your trip' section of the policy includes cover of up to £350 for unused excursions. The unused show tickets cost significantly less than the applicable limit. So I think it would be fair and reasonable for Great Lakes to settle the ticket costs. That's because while Mr F1's trip itself was actually extended for the purposes of remaining with Mr F2 rather than being cut short, I think his holiday effectively ended at the point Mr F2 was admitted to hospital – the day before they were due to return to the UK.*

#### *The flight cost*

*Great Lakes accepted and settled the majority of the cost of Mr F1's actual return flight to the UK (it has paid EUR 335.78 against a cost of EUR 383.17) and it appears that it also settled the cost of Mr F1's original return flight to the UK (£175.01). I appreciate there's a shortfall in the settlement Mr F1's been paid for his actual return flight to the UK on 21 May 2022. But most travel insurance policies won't cover the cost of a policyholder's original pre-booked travel expenses and their actual travel expenses if their trip has had to be cut short or extended. That's because whether a claim occurred or not, a policyholder would always have had to pay to get home from their trip. In this case, it seems that Great Lakes has met the majority of both Mr F1's original and actual return flight costs, which seems very fair in the circumstances. It isn't clear to me, from the terms of the policy, that both costs should be covered. If I were to direct Great Lakes to pay for the costs of both flights in full, Mr F1 would be travelling home for free – which would mean he'd profited from the insurance policy, rather than being indemnified for his losses. As such then, I don't currently think it would be fair or reasonable to direct Great Lakes to pay any shortfall here.*

#### *The taxi cost*

*I appreciate Mr F1 paid for a taxi to take him from his hotel to the airport. And I can understand why he may have wished for this cost to be covered. But I simply don't think there's any cover under the policy terms for this particular cost – neither under the cutting short your trip section of the policy, nor the medical expenses section of the policy. The cost of taxi fares is covered for a policyholder's taxi fares to and from the hospital, related to their admission. But that wasn't the purpose of Mr F1's taxi journey and the policy specifically excludes cover for other taxi fares. So I think it was fair for Great Lakes to exclude this cost from the settlement it paid.*

#### *Great Lakes' handling of the claim*

*Like the investigator, I think that there were failings in the way Great Lakes handled Mr F1's claim. It took some months to settle the claim in a piecemeal way. Great Lakes asked Mr F1 to provide the same information multiple times and it caused unnecessary delays in assessing and settling the costs it met. I think this caused additional upset and distress to Mr F1 (and Mr F2) at a time when Mr F2 had already suffered a serious stroke and was*

*undergoing treatment. So I think it's fair that Great Lakes should pay Mr F1 and Mr F2 £200 compensation for the additional trouble and upset it caused them.'*

I asked both parties to provide any further evidence or comments they wanted me to consider.

Both Mr F1 and Great Lakes accepted my provisional findings.

### **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.

Having done so, as both parties have accepted my provisional findings, I see no reason to change them. So my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint.

I direct Great Lakes Insurance SE to:

- Settle the costs of the evening show, in line with the remaining terms and conditions of the policy. Great Lakes must also add interest at an annual rate of 8% simple, from the date of claim until the date of settlement.\*
- Pay Mr F1 and Mr F2 £200 compensation. Great Lakes Insurance SE must pay the compensation within 28 days of the date on which we tell it that Mr F1 and Mr F2 accept my eventual final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of settlement at a rate of 8% a year simple.

\*If Great Lakes considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr F1 and Mr F2 how much it has taken off. It should also give Mr F1 and Mr F2 a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F1 and Mr F2 to accept or reject my decision before 27 March 2023.

Lisa Barham  
**Ombudsman**