

The complaint

Mr and Mrs P complain that Great Lakes Insurance SE lost their travel insurance claim documents and hasn't paid their claim. My references to Great Lakes include its agents.

What happened

Mr and Mrs P had annual multi trip travel insurance which started on 27 August 2021, the insurer was Great Lakes.

Mr and Mrs P were due to depart on a trip abroad in April 2022. But they say as the NHS hadn't correctly recorded that they had their Covid-19 booster vaccination, which was required for their travel, their departure was delayed for two days while they sorted out the incorrect record. On 16 May 2022 Mr and Mrs P made a claim on the policy for the costs of the missed days of their trip and the additional flight and transfer.

At the end of July 2022 Mr and Mrs P chased Great Lakes who said it hadn't received the claim documents so they sent them again. Mr and Mrs P say they sent the claim documents both times using pre-addressed envelopes provided by Great Lakes. The second time they used recorded delivery which showed the documents were received by Great Lakes' agent. The claim documents were lost when that agent sent the documents to another of Great Lakes' agents.

Great Lakes accepted it hadn't provided the service Mr and Mrs P could expect. It apologised but said it still required the claim documents previously asked for before it could consider the claim.

Mr and Mrs P complained to us. In summary they said:

- They had to call Great Lakes many times, going through the same details with lots of different people and Great Lakes didn't call them back when it said it would. Mrs P had been so upset about it all that it's affected her health.
- They've twice sent the claim documents to Great Lakes so it should pay the claim as it's had all the documents.

Our investigator recommended Great Lakes pay Mr and Mrs P £150 compensation for their distress and inconvenience due to its service. She explained why we wouldn't tell Great Lakes whether or not to pay the claim at this stage. But she thought Great Lakes had enough information to tell Mr and Mrs P if the claim was covered by the policy. If the claim was potentially covered Great Lakes should help them obtain the documents needed to evidence the claim. Also if possible, Great Lakes should provide a single point of contact for Mr and Mrs P.

Mr and Mrs P were disappointed we hadn't told Great Lakes to pay their claim. They said £150 was very little compared to the amount they're claiming.

Great Lakes didn't accept our investigator's recommendation. It said Mr and Mrs P had mistakenly sent the documents to one of its agents. That agent said it had sent the documents to another of its agents but the information hadn't been received by the other agent and that wasn't its fault.

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 insurers must consider claims promptly and fairly.

I'm going to partly uphold the complaint as I think Great Lakes should pay compensation to Mr and Mrs P for its poor service, but I'm not going to make a finding in this decision as to whether Great Lakes should pay the claim. I'll explain why.

Great Lakes is the insurer of this policy. Part of this complaint concerns the actions of the policy administrator and its agents. Great Lakes hasn't sent us a copy of the policy but I've found a copy of the relevant policy on its website. The policy says the administrator acts on behalf of Great Lakes. So Great Lakes is accountable for the actions of the administrator and its agents. As one of the agents received the claim documents I don't accept that Mr and Mrs P sent them to the wrong place. And even if it was the agent's error that caused Mr and Mrs P's claim documents not to get to the right place to be assessed, Great Lakes is responsible for that error.

In its final response letter Great Lakes accepted it received Mr and Mrs P's claim documents but the documents couldn't be found. It also accepted there were delays in it trying to find the lost documents. Great Lakes apologised, but I don't think an apology alone is enough to acknowledge the impact of its poor service on Mr and Mrs P.

Great Lakes' internal claim notes show Mr and Mrs P needed to call it many times to try to find out what was happening with their claim and they spoke to several different people. When Great Lakes responded to Mr and Mrs P's complaint the claim had been ongoing for five months. I haven't seen any medical evidence as to how the stress of dealing with Great Lakes affected Mrs P. But the claim notes say Mrs P was '*very upset*' about the loss of their claim documents and the delay. Also, its final response letter said its service had caused '*obvious frustration and inconvenience*' to Mr and Mrs P.

In these circumstances I think it's fair and reasonable for Great Lakes to pay Mr and Mrs P £150 compensation to acknowledge their distress and inconvenience due to its poor service.

I know Mr and Mrs P are claiming a much higher amount for their losses. I should make it clear that the £150 compensation for their distress and inconvenience isn't for full or part payment of their claim, that's a separate issue.

Mr and Mrs P say Great Lakes should pay their claim as it received their claim information and documents. Our investigator correctly explained that we're not the claim handler and in this decision I'm not going to tell Great Lakes whether or not it should pay the claim.

The policy doesn't all every situation and loss. The policy terms and conditions set out what Great Lakes will cover. Great Lakes needs to assess the claim and decide if it's going to pay the claim. It's lost the claim documents but even without the documents I think Great Lakes has enough information about the claim circumstances to know whether it thinks the claim is covered by the policy terms and conditions on a fair and reasonable basis.

I think it would be fair for Great Lakes to now tell Mr and Mrs P whether it thinks the claim could be covered and explain its decision to them.

If Great Lakes thinks the claim is potentially covered, and it needs the documents as evidence, Mr and Mrs P will need to provide those documents again. They say they sent original documents the second time. In the circumstances I think it's fair for Great Lakes to assist them in getting duplicate documents if it can but Mr and Mrs P will still need to be involved in getting the documents.

It would also help Mr and Mrs P if one person at Great Lakes could be their contact for the claim discussions, although as that's a business decision for Great Lakes I can't say that must happen.

Once Great Lakes have told Mr and Mrs P whether or not it will cover the claim if Mr and Mrs P disagree they can complain about the claim outcome and ultimately make a separate complaint to us about the outcome of the claim.

Putting things right

Great Lakes must pay Mr and Mrs P £150 compensation to acknowledge their distress and inconvenience due to its poor service. I direct Great Lakes to now tell Mr and Mrs P whether it thinks the claim could be covered by the policy terms and conditions on a fair and reasonable basis and explain its decision to them.

My final decision

I partly uphold this complaint.

I require Great Lakes Insurance SE to pay Mr and Mrs P £150 compensation to acknowledge their distress and inconvenience due to its poor service.

I direct Great Lakes Insurance SE to now tell Mr and Mrs P whether it thinks the claim could be covered by the policy terms and conditions on a fair and reasonable basis and explain its decision to them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 23 May 2023.

Nicola Sisk
Ombudsman