

## **The complaint**

Mr S and Ms G 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, Mr S and Ms G have an annual, multi-trip travel insurance policy underwritten by Great Lakes. The policy started on 23 April 2022.

Mr S and Ms G booked a trip with departure and return dates of 16 May 2022 and 30 May 2022 respectively. On 17 May 2022, Ms G fell in the hotel and broke her leg and ankle. She went to hospital. Great Lakes said initially that surgery could wait until Ms G returned to the UK, so Mr S and Ms G returned to their hotel.

On 18 May 2022, Great Lakes said that Ms G required surgery at her destination, but Mr S and Ms G weren't told about that until late on 19 May 2022. I understand that Ms G had surgery on 20 May 2022. Ms G asked her son in the UK, Mr G, to assist with dealing with Great Lakes.

Ms G returned to the hotel room on 22 May 2022. On 23 May 2022, Great Lakes sent Mr S information about the repatriation process. On 26 May 2022, Ms G was declared fit to fly. Mr S and Ms G returned on their planned flight. Great Lakes arranged a business class seat for Ms G.

Essentially, Mr S and Ms G say that they didn't receive the service they expected from Great Lakes, which caused them additional stress and trauma. They want compensation for the cost of their holiday and for their distress and inconvenience.

Great Lakes accepted that its service had fallen below its normal standards and offered Mr S and Ms G compensation of £200. Mr S and Ms G didn't accept that and pursued their complaint.

One of our investigators looked at what had happened. He said that Great Lakes should pay additional compensation of £200, so £400 in total.

Great Lakes agreed with the investigator, but Mr S and Ms G didn't. They said that compensation of £400 doesn't reflect their stress caused by Great Lake's mishandling of their claim. Mr S and Ms G said that if Great Lakes had acted fairly they could have at least relaxed for the remainder of their holiday knowing about their arrangements for getting home. They said that the whole trip was a write off due to Great Lake's lack of communication and the stress and anxiety this caused. Mr S and Ms G say that they wanted to return home as soon as possible but that wasn't possible due to Great Lakes' delays.

Mr S and Ms G asked that an ombudsman consider the matter, so it was passed to me to decide.

## My provisional decision

On 28 February 2023, I sent both parties my provisional decision in this case. I said that I intended to uphold the complaint but with a different outcome than had been suggested before. I said:

*'The relevant rules and industry guidance say that Great Lakes has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I intend to uphold Mr S and Ms G's complaint because I don't think that Great Lakes treated them fairly or reasonably. I say that because:*

- It's common ground that Great Lakes didn't handle Mr S and Ms G's claim well. It initially said that surgery could wait until Ms G returned home and delayed authorising surgery. Great Lakes' contact notes refer to "immense delay" in dealing with the case.*
- Subsequently, Great Lakes gave Mr S inaccurate information about what to expect in relation to repatriation, which raised their expectations. And it didn't keep Mr S and Ms G informed about what assistance they would have on their return journey. The tone of Mr S' e-mails to Great Lakes were increasingly desperate as time went on.*
- This was already a very stressful time and Great Lakes actions increased Mr S and Ms G's distress and inconvenience. They have explained that Mr S is disabled, and Ms G is his full time carer. So, events were particularly difficult for them to deal with without the support they could have reasonably expected from Great Lakes.*
- Considering everything, I think that total compensation of £600 in relation to Mr S and Ms G's distress and inconvenience arising from Great Lakes' poor service in dealing with the claim for emergency medical assistance and repatriation is fair and reasonable in this case. In reaching that view, I've taken into account the nature, extent and duration of the additional distress and inconvenience caused to Mr S and Ms G at an already stressful time.*
- But that's not the end of the matter. Mr S and Ms G's policy covers curtailment of a trip. It says that Great Lakes will pay up to £5,000 for non-refundable deposits and amounts paid for travel, accommodation, and excursions which Mr S and Ms G don't use because of their inability to complete the trip due to injury. The policy defines "**Cut short/Cutting short**" as the immediate direct early return from the trip to the home country or being a hospital in-patient outside the home country for more than 48 hours.*
- Mr S and Ms G didn't return home early from their trip; they returned home on the flight they originally planned. I understand that Ms G was in hospital at her destination for more than 48 hours. But I think that in the particular circumstances here, Mr S and Ms G's trip was effectively curtailed from the date Ms G was injured, so from 17 May 2022. I'll explain why.*
- Ms G says that when she returned to their hotel room after Great Lakes declined emergency surgery, she was confined to their room as she couldn't manage the stairs with a broken ankle and leg. Ms G is Mr S' carer and whilst he went to eat his*

*meals alone and took food back to the hotel room for Ms G, that was difficult due to his disability.*

- *When Ms G returned to the hotel after surgery she and Mr S were worried about their return home and their stress and anxiety continued. Whilst Mr S and Ms G's policy doesn't cover loss of enjoyment, in all the circumstances here, I think that Mr S and Ms G's trip was effectively curtailed on the date of Ms G's injury, so from 17 May 2022. It's fair and reasonable in this case for Great Lakes to deal with a claim under the curtailment provisions.*
- *Mr S and Ms G have also referred to loss, distress and inconvenience suffered by Ms G's son, Mr G, who assisted them in dealing with Great Lakes. Mr G isn't named on the policy, so I can't direct Great Lakes to pay him compensation.'*

### **Responses to my provisional decision**

Mr S and Ms G agreed with my provisional decision and said that they had nothing further to add. Great Lakes didn't provide a response.

### **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.

I've considered the matter again. I see no reason to depart from the conclusions I set out in my provisional decision. So, for the reasons I've explained, I think that Great Lakes provided Mr S and Ms G with poor service and that it should pay compensation of £600 in relation to their distress and inconvenience caused by the poor service. In addition, Mr S and Ms G's trip was effectively curtailed from 17 May 2022, so Great Lakes should deal with their claim under the curtailment provisions. Great Lakes should also pay interest on any sum paid to Mr S and Ms G as a result of their claim for curtailment.

### **Putting things right**

In order to put things right, I now direct Great Lakes to:

- pay Mr S and Ms G compensation of £600 in relation to their distress and inconvenience caused by the poor service,
- deal with their claim for curtailment, in accordance with the policy terms and conditions, taking into account my findings about effective curtailment and
- pay interest on any sum paid to Mr S and Ms G as a result of their claim for curtailment at the simple rate of 8% per year, from the date of the claim to the date of payment.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G and Mr S to accept or reject my decision before 18 April 2023.

Louise Povey  
**Ombudsman**