

The complaint

Mr and Mrs M are unhappy that Great Lakes Insurance SE (Great Lakes) declined their travel insurance claim.

Any reference to Great Lakes includes all its agents.

What happened

Mr and Mrs M took out an annual multi-trip travel insurance policy which started on 26 November 2021 and expired on 26 November 2022. Great Lakes is the underwriter on the policy.

They booked a cruise and were due to depart in November 2022. The trip was unfortunately cancelled by the provider and Mr and Mrs M received a refund for this. However, they booked separate flights and the flight provider only refunded the airport duty tax element but not the remainder of the payment they made.

Mr and Mrs M called Great Lakes to ask if they would be covered for the remaining cost of their cancelled flights. It informed them they would be covered. Based on the information Great Lakes provided, Mr and Mrs M decided to cancel their flights.

They submitted a claim to Great Lakes for the remaining cost of the flights. It declined the claim and said Mr and Mrs M have no cover for what happened under the cancellation section of their policy. Great Lakes also said it agreed that Mr and Mrs M were misinformed in their call with the insurer before they cancelled their flights.

Unhappy with Great Lakes' response, Mr and Mrs M brought their complaint to this service. Our investigator looked into it. She concluded that the claim was declined in line with the terms and conditions of their policy. She also recommended Great Lakes award £100 compensation for the misinfmation that it provided.

Great Lakes accepted the investigator's findings.

Mr and Mrs M disagreed and asked for the complaint to be reviewed by an ombudsman. So, it's been passed to me. They say they would not have cancelled the flights had they been informed correctly that they weren't covered for this under their policy. They think £100 compensation for being given incorrect advice is unfair in the circumstances.

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, I've decided to partly uphold this complaint for these reasons:

- I've looked at the terms and conditions of Mr and Mrs M's policy. Section 1 sets out

the terms of cancellation and what is and isn't covered under their policy. On page 17 under '*What is not covered: under sections 1 and 2*', it states there is no cover for '*failure by the provider of any part of the booked trip to supply the service or transport (whether as a result of the error, insolvency, bankruptcy, liquidation, omission, default or otherwise), unless the event is specifically covered by this policy. You should direct any claim in this case to the provider involved.*'

- Based on this section, there is no cover for the cancellation of Mr and Mrs M's flights under their policy. And there are no other sections of the policy that apply in the circumstances of what happened. I don't think therefore the claim has been declined unfairly or unreasonably.
- I understand Mr and Mrs M say Great Lakes informed them they would be covered for the cost of their flights being cancelled. They say they called Great Lakes at least three times and they were told they were covered. I can see they called Great Lakes once, but I haven't seen evidence of them being given incorrect information three times. That's not to say it didn't happen but that I haven't seen evidence of it. I appreciate that it's now disappointing to be told they don't actually have cover for what happened.
- I agree that information they were given was incorrect and Great Lakes has acknowledged this in its response to Mr and Mrs M. There was an error on Great Lakes' part, and I think £100 compensation for this failing is fair and reasonable in the circumstances. I wouldn't generally expect an insurer to be in a position to give a definite claims decision over the phone until it has seen all the relevant documentation. I can see that in its communication to Mr and Mrs M, Great Lakes had referred them to their card provider as this was how they made the payment for the flights and raise the issue with them.
- The terms and conditions are clear in what cover is and isn't available under their policy. I'm sorry to disappoint Mr and Mrs M but I can't reasonably ask Great Lakes to increase the compensation amount in the circumstances of what happened, and I think £100 is fair and reasonable.

Putting things right

Within 28 days from the date on which we tell it that Mr and Mrs M accept our final decision, I direct Great Lakes to put things right as follows:

- Pay Mr and Mrs M £100 compensation in recognition of the poor service it provided.

My final decision

My final decision is that I partly uphold Mr and Mrs M's complaint about Great Lakes Insurance SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 7 June 2023.

Nimisha Radia
Ombudsman