

## **The complaint**

Ms T and Mr A complained that Great Lakes Insurance SE declined their travel insurance claim. My references to Great Lakes include its agents.

## **What happened**

In July 2021 Ms T bought an annual multi-trip 'Comprehensive' travel insurance policy through a phone call with a broker. Great Lakes is the insurer of the policy.

The policy insured Ms T and her companion, Mr A. The policy cover started on 20 August 2021 and ended on 19 November 2022. In October 2021 Ms T booked a package trip abroad for them. They were due to depart on 21 December 2021.

Ms T and Mr A had to have a PCR or a lateral flow test for Covid-19 72 hours before flying. On 19 December 2021 Ms T tested positive for Covid-19. Mr A didn't test positive but as Ms T was his travel companion and carer they both cancelled their trip due to her illness and claimed on the policy.

When Ms T and Mr A claimed for their cancellation costs Great Lakes asked for proof of their Covid-19 vaccination status. Mr A provided his vaccination card and Ms T said she wasn't vaccinated.

Great Lakes declined the claim. It said the policy didn't provide cancellation cover where a policyholder had contracted Covid-19 and hadn't had the recommended vaccinations, or proof of the vaccinations.

Ms T and Mr A complained to us. In summary they said:

- The Foreign, Commonwealth & Development Office's (FCDO) advice about travel to the relevant country at the time didn't require them to be vaccinated against Covid-19.
- When Ms T took out the policy it wasn't made clear to her that to be covered for Covid-19 she had to be vaccinated against Covid-19, if it had been made clear she wouldn't have bought the policy.
- Great Lakes should at the very least pay Mr A's cancellation costs as he had been vaccinated against Covid-19. The policy said he was covered if he had to cancel a trip if his travelling companion was diagnosed with Covid-19.
- They wanted Great Lakes to pay all the cost of the cancelled holiday which was just over £5,000.

Our investigator said Great Lakes fairly declined the claim for Ms T and Mr A's costs.

Ms T and Mr A disagreed and asked for an ombudsman's decision.

### **What I've provisionally decided – and why**

I made a provisional decision that I was intending to uphold this complaint. I said:

'I'm very sorry to see that sadly Ms T has told us Mr A has now passed away.

Before I made this decision we asked Ms T who had paid for the holiday claimed for. Ms T told us she paid for the holiday, as a birthday present to Mr A, and she showed us her credit card statement which showed she paid for the whole cost of the holiday. On the basis of that evidence I haven't asked to see the documents for Mr A's estate before making my decision. That's because if I decide that Great Lakes has to pay all or part of the holiday costs I'm satisfied Ms T has shown she paid for those costs, so the claim is for her loss and Great Lakes would reimburse Ms T.

Ms T said she wasn't told about the no Covid-19 vaccination policy exclusion when she bought the policy during a telephone sale and that should have been brought to her attention. Because Ms T bought the policy through a broker any mis-sale complaint has to be made to the broker. I understand Ms T has now raised a separate complaint on that matter.

Great Lakes is the insurer for the relevant sections of the policy and it's responsible for the claim. My decision is about whether Great Lakes reasonably declined the claim.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably.

I'm intending to partly uphold the complaint as I think Great Lakes unreasonably declined the claim for the costs Ms T paid for Mr A. I'll explain why.

The policy says:

#### *'Section 14 COVID-19 Cover*

##### *What is covered for Cancellation and Cutting Short Your Trip:*

*We will pay you up to the amount shown in the table of benefits for...Cancellation...per insured person for any irrecoverable unused travel and accommodation costs (and other prepaid charges) which you have paid or are contracted to pay, if you were not able to travel and use your booked accommodation or undertake the trip as a result of:*

- a) you, a close relative, a member of your household, travelling companion or any person with whom you have arranged to stay during the trip has a diagnosis of Covid-19 in the 14 days prior to your booked departure date...*

##### *What is not covered...*

*14. any claim where you contract Covid-19 and you have not had the recommended vaccination(s) (consideration will be given where you were medically unable to have the vaccination, and this is shown in your medical records)...*

*18. any claim where you do not hold the required confirmation of vaccination documentation, for example a vaccination passport’.*

Regardless of the entry requirements of the country Ms T and Mr A were travelling to, the policy exclusion says if they didn't have the recommended Covid-19 vaccination(s) there was no policy cover unless there's a medical reason why they couldn't have the vaccine.

I've seen no evidence that Ms T had a medical reason not to have the Covid-19 vaccination so I think Great Lakes could reasonably rely on the policy exclusion at point 14 to decline the claim for the costs relating to Ms T.

Ms T and Mr A raised with Great Lakes that at least Mr A's costs should be paid as he was vaccinated. But Great Lakes used the policy definition of 'You' – *'Each person named on the Validation Certificate, and for whom the required premium has been paid'* - to decline Mr A's costs.

Under a strict interpretation of the policy terms and policy definition of 'You' Great Lakes could decline the claim for the costs relating to Mr A. But I also have to consider what's fair and reasonable in the circumstances.

I don't think it was fair and reasonable for Great Lakes to decline the costs that related to Mr A. His travelling companion, Ms T, did get Covid-19 within 14 days of the start date of their travel, so there was an insured event. Mr A tested negative for Covid-19 and had his Covid-19 vaccinations and I think a reasonable consumer's reading of the policy exclusions at points 14 and 18, using the common everyday definition of 'you', would be that if they didn't personally have Covid-19 and had the Covid-19 vaccination(s) the exclusions wouldn't apply to them. I think a reasonable consumer could understand they would be covered if they were vaccinated and the only reason they weren't able to travel was because their travelling companion got Covid-19, which was Mr A's situation.

I think a fair and reasonable outcome is for Great Lakes to pay the claim for the costs that related to Mr A, less the excess. The amount is within the policy limit. As Ms T has shown she paid for those costs, so it's her loss, Great Lakes should pay those costs to Ms T to reimburse her for her loss and add interest as I've detailed below'.

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

Neither Great Lakes or Ms T responded to my provisional decision by the date we gave to respond.

### **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.

As neither Great Lakes or Ms T have responded to my provisional decision I've no reason to change my mind. For the reasons I've given in my provisional findings and these findings I partly uphold this complaint as I don't think it was fair and reasonable for Great Lakes to decline the claim for costs that related to Mr A.

### **Putting things right**

Great Lakes must pay the claim for the costs that related to Mr A, less the excess, plus interest as detailed below. As Ms T has shown she paid for those costs, so it's her loss, Great Lakes should pay those costs to Ms T to reimburse her for her loss.

### **My final decision**

I partly uphold this complaint and require Great Lakes Insurance SE to pay the claim for the costs that related to Mr A, less the excess, plus interest\* at 8% simple a year from the date of the claim to the date of settlement. As Ms T has shown she paid those costs, so it's her loss, Great Lakes Insurance SE should pay Ms T.

\*If Great Lakes Insurance SE considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Ms T how much it's taken off. It should also give Ms T a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 9 June 2023.

Nicola Sisk  
**Ombudsman**