

## **The complaint**

Mr and Mrs W complain because Great Lakes Insurance SE ('Great Lakes') hasn't paid a claim under their travel insurance policy.

All references to Great Lakes include the agents appointed to handle claims on its behalf.

## **What happened**

Mr and Mrs W held a single trip travel insurance policy, provided by Great Lakes, which covered certain declared pre-existing medical conditions.

Unfortunately, while on holiday abroad, Mr W fell ill and needed medical treatment. As a result, Mr and Mrs W were unable to travel back to the UK on their intended return date and their trip was ultimately extended by around six weeks. During this time, Mrs W also needed medical treatment abroad. Mr and Mrs W say Great Lakes was immediately notified about both claims.

In August 2022, after Mr and Mrs W had returned to the UK, they submitted claims to Great Lakes for their medical costs and additional travel expenses. When Mr and Mrs W chased the progress of their claims, they say they received a number of automated responses asking them to complete a claim form which didn't fit their circumstances. Mr and Mrs W say they were never given a telephone number to contact Great Lakes, and so had no way of speaking to someone about their claim.

In January 2023, Great Lakes sent a final response letter to Mr and Mrs W. It said Mr and Mrs W's claim had been received in September 2022 and that its medical team would be contacting Mr and Mrs W to request some missing documentation. Great Lakes offered to pay Mr and Mrs W £200 compensation for its delays.

Unhappy, Mr and Mrs W brought their complaint to the attention of our service.

Great Lakes corresponded with Mr and Mrs W in February 2023, March 2023 and May 2023 requesting information, which Mr and Mrs W said had already been provided.

One of our investigators looked into what had happened and said she thought Great Lakes should pay Mr and Mrs W an additional £100 compensation to reflect the trouble and upset they experienced as a result of Great Lakes' delays. Our investigator said she was unable to recommend for Great Lakes to pay Mr and Mrs W's claims, as Great Lakes hadn't yet made a decision about whether the claims were covered under the terms and conditions of their policy.

Mr and Mrs W didn't agree with our investigator's opinion. Great Lakes agreed to pay Mr and Mrs W the additional compensation recommended by our investigator. But Great Lakes said claim forms needed to be completed for both claims. It said cover was confirmed for Mr W's claim subject to the provision of additional information by Mr and Mrs W. Great Lakes said cover hadn't been confirmed for Mrs W's claim, as it needed information about why her treatment hadn't been carried out under the reciprocal healthcare agreement for the country she was visiting, as well as further evidence relating to some of the payments for her

medical treatment. Mr and Mrs W initially said they'd already provided all the information Great Lakes had asked for and later said Great Lakes hadn't ever requested the evidence it was now asking for.

As a resolution couldn't be reached, the complaint was referred to me as the final stage in our process. In the meantime, Mr and Mrs W sent some further evidence both to our service, and to Great Lakes.

I made my provisional decision about Mr and Mrs W's complaint in July 2023. In it, I said:

*'Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly and fairly and should provide reasonable guidance to policyholders to help them make a claim, as well as appropriate information on its progress. I've taken these rules into account when making my provisional decision about Mr and Mrs W's complaint. Having done so, I think it's clear Great Lakes hasn't handled these claims as it should have.'*

*Great Lakes says the details of Mr and Mrs W's claims weren't received until 13 September 2022 but Mr and Mrs W have provided evidence to show that their letter outlining their claims was delivered to Great Lakes on 15 August 2022. I've attached a copy of this evidence for Great Lakes' attention.*

*Great Lakes didn't review Mr and Mrs W's claim until 3 January 2023, well over four months after it received the details of the claims and I'm satisfied this delay was excessive and unreasonable. And I think compensation is warranted for the impact of this delay on Mr and Mrs W.*

*In its final response letter of 19 January 2023, Great Lakes said its medical assistance team would contact Mr and Mrs W. Great Lakes requested Mrs W's medical reports on 16 February 2023 but Mr W replied to say he couldn't access the links he was being sent. Great Lakes sent further emails on 27 February 2023 asking for statements showing payments for certain invoices. Mr and Mrs W said they'd already provided copies of all their invoices and receipts and asked Great Lakes to ring them if they needed anything more. On 7 March 2023, Great Lakes contacted Mr and Mrs W to say it was unable to call them but reiterating that it needed statements showing payments for certain invoices. Great Lakes also asked Mr and Mrs W why Mrs W's treatment hadn't been carried out under a reciprocal healthcare agreement and Mr and Mrs W said this query had already been dealt with at the time of the claim.*

*I can entirely understand Mr and Mrs W's frustration with Great Lakes. In addition to Great Lakes' delays, I don't think Great Lakes provided Mr and Mrs W with reasonable guidance to help them make their claims. And Great Lakes didn't give Mr and Mrs W regular updates or respond to their communications chasing the progress of their claims as I'd have expected it to. When Great Lakes did contact Mr and Mrs W asking for further information, I think it could have clearer about what was needed, and why. Furthermore, I've seen an internal email suggesting that Great Lakes should telephone Mr and Mrs W, given their circumstances, to explain what was needed over the phone and ask whether they'd prefer to submit paper forms but there's no indication that this ever happened.*

*I don't think the offer of £200 compensation which Great Lakes has made fairly compensates Mr and Mrs W for the impact of its actions on them. Having taken into account the individual circumstances of Mr and Mrs W's complaint as well as our published guidance on the payment of compensation for distress and inconvenience, I think an additional payment of £100 compensation would be fair and reasonable in the circumstances. I understand Mr and Mrs W consider a total award of £300 compensation to be meaningless, but the Financial*

*Ombudsman Service is an informal alternative to the civil courts and we don't have the power to award punitive damages. Compensation at the level Mr and Mrs W are seeking simply isn't something I'd consider fair or reasonable in the circumstances for errors and delays of this nature.*

*Turning to Mr and Mrs W's outstanding claims, an insurer is entitled to request reasonable information to satisfy itself that there has been a valid claim before making a payment under an insurance policy. Great Lakes has requested what I think is reasonable additional information from Mr and Mrs W, and I've seen no evidence that this information was provided to Great Lakes before Mr and Mrs W brought their complaint to our service.*

*Great Lakes told Mr and Mrs W on 27 February 2023 (and on 7 March 2023) that it needed bank statements showing the payment of certain invoices. In my experience of dealing with claims like this, this isn't an unreasonable request. Mr and Mrs W had provided the invoices for certain treatments to Great Lakes previously – but not bank statements showing payment of the invoices – and were asked to respond to the same email address providing this evidence. Some bank statements were subsequently sent to our service by Mr and Mrs W, and Mr and Mrs W have also since sent certain bank statements to Great Lakes but these have been sent to someone who they've already been told can't help them with their claims. I've attached the bank statements which Mr and Mrs W have shared with us for Great Lakes' attention, for Great Lakes to now consider.*

*Great Lakes told Mr and Mrs W in May 2023 that it needed an explanation as to why Mrs W's treatment wasn't carried out under the relevant reciprocal healthcare agreement in order to confirm whether her claim was covered under her policy. I also don't think this was an unreasonable request. I've attached an email from Mr and Mrs W addressing this issue for Great Lakes' attention, for Great Lakes to now consider.*

*I understand Mr and Mrs W wish for our service to tell Great Lakes to pay their claims but this isn't something I can fairly direct at this point. Great Lakes hasn't been provided with all the information it needs to assess Mr and Mrs W's claims, and it hasn't declined their claims. It's not the role of our service to step into Great Lakes' shoes or act as claims handlers to decide whether these claims are payable. Mr and Mrs W need to comply with what I think are Great Lakes' reasonable requests for the outstanding information it needs to settle their claims. This is the case regardless of how long the claims process has taken up until this point – this is a separate issue, which I've addressed through an award of compensation.*

*Moving forward, I'd expect Great Lakes to communicate clearly and promptly with Mr and Mrs W, outlining what information it still needs and where this information should be sent to. Any outstanding information should then be sent by Mr and Mrs W to Great Lakes directly. I'd expect Great Lakes to consider this information and assess Mr and Mrs W's claims as quickly as possible.*

*I understand Mr and Mrs W are likely to be unhappy with my provisional findings but our service resolves disputes and there isn't yet a dispute about whether these claims are payable under Mr and Mrs W's policy.*

*If Mr and Mrs W are unhappy with Great Lakes' subsequent claims decision, or with any further delays by Great Lakes, then they'd need to complain directly to Great Lakes in the first instance before our service would have the power to consider these matters by way of a new complaint.'*

*Mr and Mrs W didn't agree with certain aspects of my provisional decision and asked me to require Great Lakes to comply with defined deadlines. Great Lakes responded to my provisional decision and the additional information I'd sent to it, and said it was now*

prepared to pay Mr and Mrs W's claim. Great Lakes didn't comment on my award of compensation.

### **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.

This complaint, as well as my provisional and final decisions, relate to both Mr and Mrs W's claim.

Great Lakes has now offered to pay Mr and Mrs W's claim, which is more than I recommended for it to do in my provisional decision, and I think this offer is fair and reasonable in all the circumstances.

For the avoidance of doubt, I don't think Great Lakes needs to pay interest on any claim payment being made to Mr and Mrs W, as I remain satisfied that Great Lakes didn't have all the information it reasonably required to reach a conclusion about whether these claims were covered under Mr and Mrs W's policy until further evidence was shared with Great Lakes following our service's involvement.

I also remain satisfied, for the reasons set out in my provisional decision, that a total payment of £300 compensation would be fair and reasonable for the impact of Great Lakes' delays and handling of the claim on Mr and Mrs W.

### **Putting things right**

Great Lakes Insurance SE needs to put things right and do the following:

- pay Mr and Mrs W's claim;
- pay Mr and Mrs W a total of £300 compensation for the distress and inconvenience they experienced.

Great Lakes Insurance SE must pay the compensation within 28 days of the date on which we tell it Mr and Mrs W accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

### **My final decision**

I'm upholding Mr and Mrs W's complaint against Great Lakes Insurance SE and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 29 August 2023.

Leah Nagle  
**Ombudsman**