

## **The complaint**

Ms M is unhappy with the way in which Great Lakes Insurance SE handled a claim made on her travel insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

I issued my provisional decision in August 2023 explaining why I was intending to partially uphold this complaint and direct Great Lakes to pay Ms M £450 compensation for distress and inconvenience. I gave both parties an opportunity to provide any further information they wanted me to consider in response to my provisional decision. Neither Great Lakes nor Ms replied.

## **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 partially uphold it. I'll explain why.

- Great Lakes has a regulatory obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.
- Great Lakes accepted in October 2022 that it could've provided Ms M with better service and that there were unnecessary delays when assessing her claim. By this stage, she hadn't received a decision on her claim, which had been submitted to Great Lakes around a year before in late 2021.
- Great Lakes is entitled to validate the claim being made and ask for further information. But I don't think it did this as promptly as it ought to have. It seems like the claim wasn't progressed for many months.
- After October 2022, I'm also satisfied that upon requesting further information from Ms M she provided this to Great Lakes reasonably promptly.
- The claim was declined towards the end of 2022 because Great Lakes concluded the claim related to a pre-existing medical condition and this hadn't been declared before taking out the policy. So, the medical costs being claimed for weren't covered. I make no finding on whether it was fair and reasonable for Great Lakes to decline the claim for this reason. That's because in February 2023 it declined the claim for a further reason after Ms M contested the initial reason put forward by Great Lakes.
- Great Lakes concluded in February 2023 that although Ms M had the benefit of a worldwide annual, multi-trip, travel insurance policy, the definition of 'worldwide' expressly listed the country Ms M had visited as one of the countries which the policy

didn't cover. So, it wouldn't cover the medical costs incurred by Ms M whilst on a trip to that country. I'm satisfied that Great Lakes has fairly relied on the terms of the policy to decline the claim for this reason.

- However, Great Lakes was made aware of the country Ms M had visited when making the claim. I'm satisfied it ought to have identified that the claim wasn't covered then, rather than declining the claim for this reason around 18 months after the claim had been submitted.
- I'm persuaded that Ms M incurred unnecessary distress and inconvenience by the delays incurred by Great Lakes. Although the claim wasn't covered, she was put to the unnecessary inconvenience of having to obtain further information in support of her claim (including from her GP) and having to contest the initial reason put forward by Great Lakes to decline the claim. I'm persuaded it would've been frustrating for Ms M to discover that this could've all been avoided, and she could've been provided certainty about the outcome of her claim much sooner, if Great Lakes had promptly identified that the country she'd visited wasn't covered under the policy. I don't currently think £250 compensation recommended by our investigator is enough to compensate her for the distress and inconvenience experienced. I think £450 is a fairer reflection of this.

### **Putting things right**

I direct Great Lakes to pay Ms M £450 compensation for distress and inconvenience.

### **My final decision**

I partially uphold this complaint and direct Great Lakes Insurance SE to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 2 October 2023.

David Curtis-Johnson  
**Ombudsman**