

## The complaint

Mr P complains about how Great Lakes Insurance SE dealt with a claim against his travel insurance policy. Reference to Great Lakes includes its agents.

## What happened

In March 2022, Mr P bought a single trip travel insurance policy underwritten by Great Lakes. He paid an additional premium for winter sports cover. Mr P says that on arrival at his destination on 10 March 2022, he discovered that one of his bags – his oversized snowboarding bag - hadn't arrived. He says that his bag arrived at the airport the following day and he received it 48 hours later.

Whilst he waited for his bag, Mr P hired a snowboard and bindings and boots at a cost of €27. He says that it wasn't possible to hire essential clothes so he had to purchase salopettes, gloves, socks, a hat and eyewear so that he could snowboard. He spent €321.10. In March 2022, Mr P made a claim against the policy in relation to those costs.

In August 2022, Great Lakes paid Mr P £40. It said that was the maximum due under the policy - £20 per day for two days. Mr P didn't think that was sufficient and pursued his complaint.

Mr P says that Great Lakes payment of £40 only covers part of his cost of renting sports equipment and doesn't cover his claim for the cost of buying essential clothing. He also complains about difficulty in contacting Great Lakes and about its delay in dealing with his claim. Mr P wants Great Lakes to review his claim.

The investigator asked Great Lakes for information about Mr P's complaint, but we didn't receive a response at that stage. So, one of our investigators looked at what had happened on the basis of the information provided by Mr P. She thought that Great Lakes should pay Mr P £150 as a contribution towards the cost of purchase of salopettes, gloves and socks and compensation of £100 for his distress and inconvenience.

After the investigator's view, Great Lakes sent Mr P its final decision in response to his complaint. It said that it had failed to assess Mr P's claim under the '**Replacement hire of winter sports equipment**' benefit. It paid Mr P £95.04 (€108). It also apologised for delays in dealing with the matter. Mr P didn't think that was sufficient.

In response to the investigator's recommendations, Great Lakes said that its contribution towards the cost of Mr P's purchases should be £100, not £150. It said that its offer of £100 towards Mr P's purchase costs was made as a gesture of goodwill. The investigator reconsidered the matter but didn't change her view. Mr P now accepted the investigator's recommendation but as there was no agreement between the parties, the complaint was passed to me to decide.

## My provisional decision

On 29 August 2023, I sent both parties my provisional decision in this case in which I indicated that I intended to uphold the complaint for different reasons and with a different outcome than had been suggested before. I said:

'the relevant terms and conditions

The starting point is the terms and conditions of the policy, the relevant parts of which say as follows:

**'Section 9: Personal baggage and delayed baggage**

This section of **your** policy explains the cover **we** provide for **your personal baggage** and delayed baggage whilst on **your trip**. [...]

**What IS covered**

**Personal baggage**

[...]

**Delayed baggage**

2. **Your personal baggage** being mislaid on **your** outward journey for more than 12 hours from the time **you** arrive at **your trip** destination.

**We will pay you up to the amount shown in the Policy limits and excesses table under Delayed Baggage for the level of cover you have selected to:**

- Purchase essential toiletries, medication and clothing (in the event of point 2 above)

[...]

**What IS NOT covered:**

- [...]
- Any **winter sports equipment** (this is covered under the Winter Sports section, if the appropriate additional premium has been paid)'

**'Section 14: Winter sports**

[...]

**What IS covered:**

**Winter sports equipment you own**

1. Loss or theft of or damage to **your winter sports equipment**

**Replacement hire of winter sports equipment**

2. **Your hire of winter sports equipment** if required as a result of point 1.

**Hired winter sports equipment**

3. **Your hire of winter sports equipment** if required as a result of the misdirection or delay on **your** outward journey of **your winter sports equipment** for more than 12 hours.

[...]

**We will pay you up to the amount shown in the Policy limits and excesses table for the level of cover you have selected for:**

- Your hire of winter sports equipment in relation to points 2 and 3.'

**'Winter Sports Equipment'** is defined as 'Skis (including bindings), snow boards (including bindings), boots, ski poles, ice skates and essential clothes which **you** own or hire.'

has Great Lakes acted unfairly or unreasonably?

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 P's complaint for different reasons and with a different outcome than has been suggested previously. I'll explain why:

- *Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy the onus shifts to the insurer to show how that exclusion applies.*
- *I think there's been confusion in this case. In the circumstances that arose here – delay of Mr P's winter sports equipment for more than 12 hours on his outward journey – Great Lakes is obliged to pay £20 per day (up to a maximum of £400) in relation to hired winter sports equipment. There's no cover for Mr P's purchase of winter sports equipment. I think that Great Lakes is entitled to rely on the exclusion relating to winter sports equipment in the cover for delayed baggage. I don't think that it acted unfairly or unreasonably in considering Mr P's claim under the **'Winter sports'** section of the policy.*
- *I note that Mr P says that he had to purchase certain items as there wasn't an option to hire them, but I don't think that Great Lakes is obliged to reimburse the cost of purchases when the policy doesn't cover them in the circumstances that arose here.*
- *During the course of the complaint, Great Lakes paid Mr P £95.04. It wasn't clear to me how Great Lakes had calculated that amount, so I asked for clarification. Great Lakes says that it relates to €108 which is €54 hire costs for two days. But based on what I've seen, Mr P claimed only €27 for hire costs in his claim form and has produced a receipt for that amount. In any event, Great Lakes isn't obliged to pay replacement hire costs for winter sports equipment unless the equipment has been lost, stolen or damaged and that's not what happened to Mr P's winter sports equipment. Great Lakes has paid more than it is obliged to pay under the terms of the policy. That's to Mr P's advantage.*
- *Great Lakes subsequently offered to pay Mr P an additional £100 as a contribution towards his purchase costs as a gesture of goodwill. That's more than it's required to pay under the terms of the policy.*
- *I think that Great Lakes made errors in its handling of Mr P's claim. Mr P made his claim in March 2022 but didn't receive payment until August 2022. That's considerably longer than we'd expect this sort of claim to take. I accept what Mr P says about the difficulties he had in contacting Great Lakes. And there's been confusion about settlement amounts which means that Mr P has been dealing with this matter for some time. Given that Great Lakes has already paid £95.04 and offered to pay a further £100, I don't think that a fair and reasonable outcome requires me to direct it to pay further compensation in relation to its handling of Mr P's claim.*
- *For the reasons I've explained, I intend to direct Great Lakes to pay Mr P an additional £100, which it has offered to pay.'*

## **Responses to my provisional decision**

Neither Mr P nor Great Lakes had any further comment.

### **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.

Neither Mr P nor Great Lakes has provided any fresh information or evidence in response to my provisional decision. I therefore find no basis on which to depart from my earlier conclusions. For the reasons I've explained, I think that it's fair and reasonable for Great Lakes to pay Mr P an additional £100, which it has now offered to pay.

### **Putting things right**

In order to put things right, Great Lakes should pay Mr P compensation of £100.

### **My final decision**

My final decision is that I uphold this complaint. I now direct Great Lakes Insurance SE to put things right as indicated above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 October 2023.

Louise Povey

**Ombudsman**