

The complaint

Mr W is unhappy that Great Lakes Insurance SE declined a claim made under his travel insurance policy.

What happened

Mr W purchased an annual multi-trip travel insurance policy, covering him for trips taken worldwide, including in the UK, during the policy period. The policy period being 19 December 2022 and 18 December 2023. The policy provided cover for various pre-departure and post-departure risks.

Mr W has said that on 7 April 2023 he took a trip, within the UK. To save costs he stayed with a friend, who sometimes rented out a room in their property. Mr W has explained that during the stay he was using his laptop, and dropped a remote control on it, causing damage to the item. So, he made a claim under this travel insurance policy for this loss.

Great Lakes considered Mr W's claim and declined it. Great Lakes said that for a claim to be covered Mr W needed to be on an insured trip. And that for domestic travel this meant Mr W needed to have pre-booked accommodation. Great Lakes said Mr W hadn't pre-booked accommodation and was instead staying with a friend. So, there was no cover under the policy for the damage to Mr W's laptop under his travel insurance policy.

Mr W responded to Great Lakes' decline of his claim, and said he wanted to provide clarity on his accommodation. Mr W said that he did have pre-booked accommodation – it just happened to be with a friend. And he noted that the policy didn't give any specifics on what 'pre-booked' accommodation was. So, he felt his situation fell within the terms, and Great Lakes should alter its decision.

Great Lakes didn't agree. It maintained its position that Mr W's claim wasn't covered under the policy. As Mr W remained unhappy with Great Lakes' response, he referred his service for an independent review.

Our investigator considered Mr W's case and asked him for any evidence to show he had pre-booked his accommodation before he went on the trip. Mr W provided a screenshot of a text message he said evidenced this. Our investigator sent this to Great Lakes, who maintained its position.

Our investigator thought that this complaint should be upheld. They said Mr W had provided evidence to show he had pre-booked his accommodation, and therefore the loss had happened during an insured trip. They recommended that Great Lakes reassess Mr W's claim, in line with the remaining terms and conditions of the policy.

Great Lakes didn't agree. It said Mr W saying at a friend's house wasn't pre-booked accommodation and was purely an arrangement between friends for Mr W to stay though. So, it said the situation wasn't covered by the policy.

As Great Lakes didn't agree, this complaint has been referred to me to decide.

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 uphold this complaint. I've explained why below.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Great Lakes acted in line with these requirements when it declined to settle Mr W's claim.

I've also reviewed Mr W's policy documentation, to see what cover his policy provided. On doing so, I can see Mr W's policy does provide him with gadget cover, which includes cover for laptops. The section explains there is cover for an incident of accidental damage.

Great Lakes has said the cover doesn't apply if the claim occurs whilst not on a trip. And it says Mr W wasn't on a trip as detailed by the policy.

So, I've thought about whether Great Lakes has acted fairly here. And I don't agree that it has.

I say this because the gadget section notes that a trip is *'travel during the policy period,'* and the general conditions of the policy note that:

"We will only provide cover for domestic travel (within the **United Kingdom**) which includes a flight or pre-booked overnight accommodation away from **Your** normal residence."

Mr W's travel was during his policy period. He travelled on 7 April 2023 for three days. And he did have pre-booked overnight accommodation, away from his normal residence. He has provided a screenshot of messages between him and a friend which shows him pre-booking the room. This relevant message says:

"Yes, I got your voicemail and yes the room has been reserved for you on Friday 7th. I won't be around but will you call later to give you the code for the key box. No need to transfer me the money, we can settle up when we go the pub."

As I think Mr W has shown he was on an insured trip, as required by the above terms of policy, I'm satisfied Great Lakes shouldn't have declined his claim as it did.

Great Lakes has told this service it needed evidence of a booking, and of a transaction for a paid booking, and Mr W hadn't provided it. But I'm satisfied the above is evidence of a booking. And looking at the policy, there isn't any requirement for the pre-booked accommodation to have been pre-paid. So, the fact the accommodation wasn't pre-paid doesn't alter the outcome of this complaint.

With this in mind, I'm satisfied Great Lakes acted unfairly, and should reassess Mr W's claim, as detailed below.

My final decision

Given the above, my final decision is that I uphold this complaint, and require Great Lakes Insurance SE to reassess Mr W's claim, in line with the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 October 2023.

Rachel Woods
Ombudsman