

The complaint

Mr and Mrs F complain about the way that Great Lakes Insurance SE handled a medical expenses claim they made on a travel insurance policy.

Mr and Mrs F are represented by Mrs B. All references to Great Lakes include the actions of its agents.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

Mr and Mrs F were abroad on holiday. Unfortunately, in September 2022, Mrs F became seriously unwell and was admitted to a private hospital. So Mr F got in touch with Great Lakes' medical assistance team to make a medical expenses claim on the policy. Mrs B flew abroad to support Mr and Mrs F.

Great Lakes required medical evidence from Mrs F's GP before it could confirm whether or not the claim would be covered. This information was received on 3 October 2022 and Great Lakes agreed to cover the claim. It became clear that Mrs F needed repatriation by air ambulance, which Great Lakes also agreed to pay for. So the medical assistance team investigated air ambulance repatriation. However, Great Lakes told Mr F and Mrs B that a repatriation date couldn't be confirmed until an NHS hospital in the UK had guaranteed that it would have a bed available for Mrs F.

Unhappy with the delays in arranging repatriation, Mrs B and Mr F organised a private air ambulance repatriation for Mrs F, which was due to depart on 15 October 2022. But this flight was cancelled. Great Lakes offered to arrange a further air ambulance for Mrs F, but ultimately, Mrs B and Mr F paid for Mrs F to be repatriated privately on 23 October 2022.

Mr and Mrs F (and Mrs B) were very unhappy with Great Lakes' handling of the claim. The treating hospital had requested a guarantee of payment (GOP) from Great Lakes, which the assistance team had repeatedly told Mr F and Mrs B would be forthcoming/had been sent. However, this hadn't been the case and the treating hospital had required Mr F to pay a deposit of several thousand pounds. They were unhappy with the lack of progress and updates from Great Lakes and that promised communications hadn't been made. They felt Great Lakes had unreasonably delayed Mrs F's repatriation. And they said that Mr F had had to sleep on a sofa in Mrs F's hospital room for the entire period. Mrs B said Great Lakes' handling of the claim had had a real impact on Mr and Mrs F's wellbeing.

Whilst Great Lakes accepted it hadn't handled the claim as well as it could have done, it maintained that it wasn't in a position to arrange air ambulance repatriation until an NHS hospital had confirmed it had a bed available for Mrs F. And it said a GOP wouldn't generally be sent until a patient had been discharged from hospital and a final bill had been issued by a hospital.

Remaining unhappy with Great Lakes' response, Mrs B asked us to look into Mr and Mrs F's

complaint. Additionally, she was unhappy that Great Lakes had provided Mr and Mrs F with details of the wrong claims handling company, which had led to them sending their personal information to a claims handler which wasn't authorised to see it.

Our investigator thought that Great Lakes should pay Mr and Mrs F compensation of £2500. This was to represent the impact caused to them by Great Lakes' failure to update Mr F and Mrs B and its failure to respond to calls or emails; its delay in issuing the GOP and its failure to arrange and pay for hotel accommodation for Mr F while Mrs F was in hospital. She considered that these failings had led to Mr and Mrs F feeling unsupported and had caused them additional distress and inconvenience at an already very difficult time.

Great Lakes didn't agree to pay Mr and Mrs F £2500 compensation. It said Mr F had been told he could arrange hotel accommodation and claim back the costs early on in the claim. And it provided a recording of a call between Mrs B and one of its team on 7 October 2022. During the call, the call handler had confirmed to Mrs B that Great Lakes had agreed to arrange and pay for hotel accommodation for Mr F. Great Lakes did offer to pay Mr and Mrs F compensation of £1500.

Mr and Mrs F didn't accept the compensation Great Lakes had offered.

I issued a provisional decision on 7 September 2023, which explained the reasons why I felt Great Lakes' offer of compensation was fair and reasonable. I said:

'First, I'd like to reassure Mr and Mrs F and Mrs B that while I've summarised the background to this complaint and Mrs B's submissions to us, I've carefully considered all that's been said and sent to us. Within this decision though, I haven't commented on each point that's been raised and nor do our rules require me to in. Instead, I've focused on what I think are the main issues.

Secondly, it's clear that Mr and Mrs F went through a very difficult time and I don't doubt how upsetting and painful this situation must have been for both them and for their family. I was sorry to read about Mrs F's illness and painful injury and I do hope she's now recovering well.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. Great Lakes accepts that it didn't handle this claim as well as it should have done and it's now offered to pay a substantial award of compensation to reflect this. Mrs B doesn't think this offer is fair and reasonable to recognise the impact of Great Lakes' claims handling on Mr and Mrs F. I've considered this very carefully and I'll deal with each key issue in turn.

Repatriation

Mrs B considers that Great Lakes unreasonably delayed arranging air ambulance repatriation for Mrs F, which caused Mr and Mrs F unnecessary upset. Generally, I think it's fair and reasonable for an insurer to establish whether or not a claim is covered before agreeing to pay for medical or repatriation expenses. In this case, given the nature of Mrs F's initial reported illness, I think it was reasonable for Great Lakes to require a copy of her medical records from her GP before it confirmed it would cover her medical costs. These records weren't received until 3 October 2022, at which point, Great Lakes accepted the claim.

However, as Mrs F had a spinal injury, Great Lakes needed to establish whether she could be repatriated safely. While the treating hospital provided a fit to fly certificate, Great Lakes' medical team asked for further images of Mrs F's injuries to confirm that air ambulance repatriation could be carried out safely. Once it received the information it had asked for and

the costs had been agreed, I think Great Lakes' notes show that took prompt steps to arrange an air ambulance for Mrs F. And based on the medical information, I think it was appropriate for Great Lakes to agree to cover the costs of an air ambulance for Mrs F.

I can understand why Mrs F and her family wanted her to be flown back to the UK as soon as possible. But Great Lakes says it needed to ensure that Mrs F would be able to be admitted to a bed in an NHS hospital before a repatriation flight could be confirmed. It's provided me with a statement from the assistance company's Medical Director which explains that its process is to ensure an NHS bed has been arranged prior to air ambulance repatriation. In this case, the Medical Director said that due to the nature of Mrs F's medical conditions and her injury, she required urgent review and admission to a side room in a high-dependency NHS unit. I find this evidence persuasive. Unfortunately, the assistance team can't provide me with evidence of any contact it made with NHS hospitals during this time. But Great Lakes' records do indicate that proactive steps to arrange Mrs F's repatriation were being taken.

On that basis, I don't think there's enough information for me to reasonably conclude that Great Lakes unfairly delayed in arranging Mrs F's repatriation. I think it did take appropriate steps to ensure Mrs F could be repatriated safely and I think it was reasonable for Great Lakes to want to be satisfied that Mrs F would be admitted to a hospital unit which could provide the right care for her.

Accommodation

It seems to be agreed that Mr F slept on a sofa in Mrs F's hospital room during the period of her admission. I don't doubt that this caused Mr F additional discomfort. Our investigator felt Great Lakes had failed to make it clear to Mr F that hotel accommodation for him would be covered under the medical expenses section of the policy.

However, I disagree. Great Lakes' records show that on 28 September, one of its call handlers told Mrs B that once cover was in place, it could assist with hotel accommodation for Mr F. Great Lakes suggested that Mr F should arrange a hotel and then claim back the costs. It might have been helpful if Great Lakes had offered to arrange accommodation for Mr F. But given it was still waiting for information to show whether or not the claim was covered; I wouldn't have reasonably expected it to agree to pay hotel costs at this point.

And even if Great Lakes had offered to arrange hotel accommodation for Mr F on 28 September, I don't think it's more likely than not that he would've taken up such an option. I say that because I've listened to a call between Mrs B and Great Lakes on 7 October 2022. During the call, Mrs B told the call handler that Mr F was sleeping on a sofa in the hospital. The call handler informed Mrs B that cover had been confirmed for hotel accommodation for Mr F and that this could be arranged. Mrs B stated that this might be best for Mr F's welfare, but potentially not for Mrs F's. She agreed to speak to Mr F about next steps. There's no evidence that Mrs B or Mr F asked Great Lakes to go on to arrange or pay for hotel accommodation and therefore, it seems likely that Mr F understandably chose to remain at the hospital with Mrs F. In my view then, I think Great Lakes did make clear enough the option for Mr F to stay at a hotel at its cost and that Mr F decided not to take up this option. I don't think it would be fair or reasonable for me to direct Great Lakes to pay compensation to reflect such a decision though.

The GOP

Both Mrs B's testimony and Great Lakes' claims handling notes show that there were protracted delays in a GOP being issued to the treating hospital. While Great Lakes went on to suggest that a GOP wouldn't usually be sent until after a patient had been discharged; this

doesn't appear to be reflected in the notes. It isn't at all clear to me that a GOP couldn't have been issued once cover had been confirmed. What is clear is that Mrs B and Mr F repeatedly asked Great Lakes to send the hospital a GOP and that the hospital itself chased this information on a daily basis. Great Lakes told Mrs B and Mr F that a GOP had already been issued on a number of occasions, even though the hospital denied it. Based on the lack of a GOP, the hospital took payment directly from Mr F.

I don't doubt how much additional, unnecessary stress this caused Mr and Mrs F and Mrs B, at an already very worrying time. Mr and Mrs F were clearly concerned about the affordability of the treatment and they say they were being chased-up by the hospital too. While Great Lakes isn't responsible for the hospital's decision to take payment from Mr F, it does seem to me that at least some of this stress could have been mitigated if it had promptly issued a GOP once cover was confirmed.

Customer service

Great Lakes accepts there were failings in its communications with Mr and Mrs F and Mrs B. I can see that most contact was driven by Mr F and Mrs B. Great Lakes doesn't appear to have been proactive in updating or contacting them and there were times when it failed to provide promised call backs or emails. I can entirely understand why Mr F, Mrs F and Mrs B felt unsupported by Great Lakes during this period and why the relationship effectively broke down. In my view, had Great Lakes kept Mr F and Mrs B updated about the status of the claim and been more proactive in its dealings with them, Mr and Mrs F are unlikely to have felt effectively abandoned. Again, I don't doubt that this caused them unnecessary distress at an already stressful time for them.

So in the round, I think it's appropriate and fair that Great Lakes should compensate Mr and Mrs F for the impact I think its failings likely had on them. With that said, while Mrs B has referred to a long-term impact on Mr and Mrs F's wellbeing, I haven't seen any medical evidence which shows that their health has been adversely impacted as a result of the way Great Lakes handled the claim. I also need to bear in mind that £1500 is a substantial award of compensation to reflect the trouble and upset caused during Mrs F's broadly four-week hospital admission. In the circumstances of this complaint, I currently think £1500 is a fair and reasonable sum to compensate Mr and Mrs F for Great Lakes' service failings. So I'm intending to direct Great Lakes to pay this award.'

I asked both parties to send me any further evidence or comments they wanted me to consider.

Great Lakes accepted my provisional findings.

Mr and Mrs F strongly disagreed with my proposed award and I've summarised their detailed response below:

- While they could not establish a causal link between impact of Great Lakes' actions on their health, Mr and Mrs F are certain that their wellbeing has been affected by the cruel, dismissive and disrespectful way that they were treated by Great Lakes;
- They queried whether I had listened to all of the calls between Mr F, Mrs B and Great Lakes – including calls where call backs were promised, but not received, or where Great Lakes suggested moving Mrs F to a public hospital;
- Mr and Mrs F asked why Great Lakes would want to move a patient with pneumonia and agonising back pain to a public hospital. And they questioned whether the reason for the delay in the issue of the GOP was to try to cause Mr F to move Mrs F to a free hospital;

- As the GOP hadn't been issued for 11 days, Mr F had had to access money from one current account and he began to run out of money quickly. He'd also incurred exchange fees and daily living expenses. The GOP should have been issued far more promptly than it was;
- The hospital staff had treated Mr and Mrs F in an aggressive manner, demanding payment. Mr F had made Great Lakes aware of this, but it hadn't made a difference. This had caused Mr F additional distress;
- Great Lakes had provided the hospital with untrue information, stating more than once that the GOP had been forwarded. When Mr and Mrs F learned this wasn't true, they'd been more let down;
- Mr and Mrs F disagreed with my findings regarding the proposed repatriation. They felt I'd ignored Mrs B and the GP's evidence that guaranteeing a bed was impossible. They considered Great Lakes had placed an insurmountable barrier to Mrs Fs' repatriation, but I had painted a picture of a company focused on customer care. They questioned what any reasonable person would have done in dealing with Great Lakes' intransigence in their situation and when Mrs F had been desperate to get home;
- Given Great Lakes couldn't provide a record of its attempts to contact UK NHS hospitals at the time; Mr and Mrs F said they seriously questioned my decision to support Great Lakes;
- Mr and Mrs F didn't agree that £1500 was fair and reasonable compensation. They said they were around £13,000 out of pocket for the air ambulance, following Great Lakes' assessment of its liability. There had been issues with the private air ambulance provider which wouldn't have occurred had Great Lakes fulfilled its responsibilities;
- They said that going into a hotel had never been an option, as Mr F was running low on funds and they couldn't trust Great Lakes to cover the costs. They hadn't believed Great Lakes when it said it would pay for a hotel for Mr F. This had followed a lack of contact from Great Lakes and failure to call him and Mrs B back on a number of occasions. Mr and Mrs F questioned whether this was a calculated policy by Great Lakes to increase Mr F's stress and impair his decision-making;
- In staying the hospital with Mrs F, Mr F had been supporting her through the night and had got very little sleep. Some time in a hotel with food would have been of benefit to them both in the longer term;
- Mrs F is not recovering well. She is in constant pain and distress and had needed to get away from the hospital as soon as possible. This hadn't happened due to Great Lakes.
- They didn't agree with my description of the relationship between them and Great Lakes effectively breaking down. They felt this implied mutual blame. They'd been willing to engage in dialogue from the start. They felt I'd taken no account of the evidence which proved this to be true;
- Prior to the claim, Mr F had been used to handling stress. Now his sleep is constantly disturbed, he has no confidence and he avoids social interaction with anyone other than his close family and friends;
- Mr and Mrs F felt we had a duty of care to those who find themselves in distress abroad and rely on their travel insurers for support. They said they hoped I would find the courage to stand up to Great Lakes for the benefit of others and rid the profession of the tactics it used to save money. It was time for our organisation to do the right thing.

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, whilst I'm very sorry to disappoint Mr and Mrs F, I still think Great Lakes has made a fair offer of compensation and I'll explain why.

I'm very grateful to Mr and Mrs F for their detailed response to my provisional decision. I'm very sorry to hear that Mrs F remains unwell and I do appreciate how strongly Mr and Mrs F feel about my findings. As I explained in my provisional decision though, our rules don't require me to address each point they've made and so again, I'll focus on what I believe are the key issues. I'd also like to reassure Mr and Mrs F that I've carefully considered all of the evidence and arguments which have been provided to me.

First, I must make it clear that I won't be considering the *settlement* of Mr and Mrs F's claim as part of this decision. Mr and Mrs F have referred to the settlement they were paid for the private air ambulance and Great Lakes' refusal to cover some of the costs they claimed for. A complaint about the way the claim has been settled is being considered separately by one of our investigators. Therefore, it wouldn't be appropriate for me to comment further on these particular points.

It's also important that I make clear our role. We're not the industry regulator. We have no power to direct a financial business to change its policies or processes. Nor do we have the power to fine or punish a business if we think it's done something wrong. We independently and impartially consider each complaint that's brought to us on its own individual facts and evidence and we won't generally consider hypothetical situations. Instead, as I've done in this case, we consider the specific facts and merits of each complaint to decide whether a financial business has done something wrong which it needs to put right. And if we think it has, we'll consider what fair and reasonable redress should be.

Mr and Mrs F have questioned why Great Lakes would suggest moving Mrs F to a public hospital, given her condition. The policy says:

'If you require medical treatment during your trip then in the first instance you must make use of any reciprocal health agreements between the UK...and the country you have travelled to.'

In my experience, this isn't an unusual term in travel insurance policies. And the country Mrs F was hospitalised in does have a reciprocal health agreement with the UK, in the form of EHIC or GHIC cards. So I don't think Great Lakes acted unfairly or unreasonably when it raised the possibility of moving Mrs F to a public hospital. Ultimately though, Great Lakes covered Mrs F's medical costs at the private facility she was treated in.

As I set out in my provisional decision, it's clear that Great Lakes made a number of errors in its handling of this claim. Great Lakes accepts that it did so. Great Lakes didn't call Mr F or Mrs B back when it said it would and the majority of the communications were led by Mr F or Mrs B. I don't doubt this caused Mr F and Mrs F additional, unnecessary upset at an already very distressing time for them. This was a clear failing on Great Lakes' part. And I accept too that this would have led to Mr and Mrs F losing faith and trust in Great Lakes' handling of their claim.

It's apparent that Great Lakes did wrongly tell Mr F and Mrs B that the GOP had been issued on a number of occasions, when it hadn't. I explained why I felt Great Lakes should have issued the GOP much sooner than it did. I appreciate that the delays in sending the GOP (and in wrongly telling Mr and Mrs F that it had been sent) put Mr and Mrs F to significant stress and worry – especially as Mr F had to initially cover the hospital costs himself. But I can't fairly hold Great Lakes responsible for any actions of the treating hospital, either in the

way it communicated with Mr and Mrs F, or for its decision to take payment from Mr F. I do think it had been told that the claim was covered and Great Lakes would cover the costs.

I'm sorry that the reference to an effective breakdown of the relationship between the parties in my provisional decision led Mr and Mrs F to think I was attributing mutual blame for the situation. This isn't the case. Instead, I intended to refer to Mr and Mrs F understandably losing trust in Great Lakes' handling of Mrs F's medical expenses claim and Great Lakes' failure to communicate with them in a timely and fair way.

Mr and Mrs F have explained why Mr F opted not to take up hotel accommodation. I understand he felt unable to trust that Great Lakes would cover the cost. But it remains the case that Great Lakes did explain to Mrs B that it would pay for Mr F to stay in a hotel and gave him the option to do so. I don't think it would be reasonable for me to find that Great Lakes was responsible for Mr F's choice not to stay in a hotel – especially given Mrs B didn't seem to think such an option would be best for Mrs F's welfare.

Turning to the air ambulance repatriation, I can understand why Mr and Mrs F are concerned that Great Lakes hasn't been able to show me that it contacted NHS hospitals. I appreciate too that they feel I've ignored their evidence. This isn't the case. I have to make my decision based on the available evidence and circumstances. As I explained in my provisional decision, the Medical Director set out the process Great Lakes follows when it arranges air ambulance repatriation and the reasons for that process. I find this persuasive evidence that Great Lakes does require the guarantee of an NHS bed before it will fly a policyholder back to the UK. And the evidence indicates that Great Lakes was taking active steps to arrange an air ambulance for Mrs F. It seems to me that it's more likely than not that this would include contacting NHS hospitals to check bed availability. So I still think, on balance, that Great Lakes took appropriate and reasonable steps to repatriate Mrs F to the UK in line with its procedures.

I'm very sorry to hear about the impact Mr and Mrs F say this situation has had on their well-being. I must be mindful though that given Mrs F's illness and injury, this situation would always have been very upsetting for them and for Mrs B. Great Lakes isn't responsible for Mrs F's illness or injury and Mrs F's hospitalisation would inevitably have caused Mr and Mrs F and Mrs B distress and worry. And it's still the case that while I've thought carefully about what Mr F has told us about the impact on his and Mrs F's health, there's no medical evidence available to show that Great Lakes can fairly be held responsible for this.

It's clear too that Mr and Mrs F are concerned that Great Lakes deliberately delayed things and communicated poorly with them in order to cause them additional stress, thereby impairing their decision making. Having thoroughly reviewed all of the evidence, I haven't seen any evidence that this was the case. While Great Lakes didn't handle the claim in the way I think it ought to have done, in terms of repeated communication errors and failure to issue the GOP sooner than it did, I've seen nothing to indicate that it deliberately tried to cause stress or harm to either Mr or Mrs F. It was progressing the claim and it clearly intended to cover Mrs F's medical costs, even if it did make mistakes.

Overall, I need to consider what fair, reasonable and proportionate compensation is in the specific circumstances of this complaint. I do understand how strongly Mr and Mrs F feel about their complaint, but I still find that £1500 is fair and reasonable in all the circumstances. I think it's a substantial award to recognise the seriousness of the errors Great Lakes made in the handling of this claim and the impact I think these can be fairly found to have had on Mr and Mrs F, taking into account the available evidence. So it follows that I'm directing Great Lakes to pay Mr and Mrs F compensation of £1500.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that Great Lakes has now made a fair offer of settlement.

I direct Great Lakes Insurance SE to pay Mr and Mrs F £1500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 31 October 2023.

Lisa Barham
Ombudsman