

The complaint

Mrs B is unhappy with the service she received from Great Lakes Insurance SE when trying to extend the period of cover under her travel insurance policy.

All reference to Great Lakes includes its medical assistance team.

What happened

Mrs B bought a single trip travel insurance policy, underwritten by Great Lakes, which covered a trip abroad for her and her young son for the period end of June to the beginning of August 2022.

Shortly before Mrs B and her son were due to return to the UK, Mrs B's husband, who I'll refer to as Mr B, contacted Great Lakes to say that Mrs B had decided to stay abroad longer due to health reasons. He enquired whether Mrs B could take out another travel insurance policy to cover the extended trip. Mr B confirmed that Mrs B wasn't in hospital, but she needed rest and recuperation and she had planned to extend her trip until the end of November 2022.

Mr B was informed that there's a 90-day limit on the policy so the latest the policy could be extended to would be a date towards the end of September 2022 and the issue would need to be referred to the underwriter. The representative said she'd revert to Mr B once she'd heard back from the underwriter.

Subsequently Mr B was told that Mrs B would need to contact the medical assistance team to see whether it was medically necessary for Mrs B's trip to be extended. And if so, she wouldn't need to pay an additional premium.

Mrs B says after the medical assistance team was contacted; she was advised to obtain a medical report to determine whether it was medically necessary to extend the trip beyond the original return date.

Mrs B obtained a medical report from a doctor in the UK which reflects given Mrs B's pre-existing medical condition (declared when taking out the policy), her health had improved, and she'd been advised to remain in the country she was staying for "some months...depending on her clinical progress before considering any return to the UK". Mrs B says she only wanted to stay abroad until the end of November 2022 because she wanted to spend Christmas in the UK.

After several days, Great Lakes asked Mrs B to undergo an assessment in the country she was visiting, which she agreed to. The assessment took place in mid-August 2022 and the report reflected that Mrs B wasn't fit to fly until the end of November 2022 with assistance. Upon arrival, Mrs B had "fainted and almost collapsed...".

A few days later, Great Lakes informed Mrs B that the decision had been taken to decline extending the policy because from the medical assessment she was fit to fly and could've returned home.

Mrs B says she required further medical care whilst she was away, and she didn't return back to the UK until early 2023. She would like to be compensated for the medical expenses she incurred whilst abroad and for the distress and inconvenience experienced. So, she complained to the Financial Ombudsman Service.

Our investigator looked into what happened and upheld Mrs B's complaint. She recommended Great Lakes pay the medical expenses Mrs B occurred whilst abroad together with simple interest at 8% per year and £750 compensation for distress and inconvenience.

Great Lakes disagreed but did accept it caused some unnecessary delays and offered Mrs B £250 compensation, which was declined by her. So, the complaint was passed to me to decide.

I issued my provisional decision in September 2023, explaining in a bit more detail why I intended to uphold this complaint. An extract of my provisional decision is set out below.

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Great Lakes has a regulatory obligation to treat customers fairly. It must also handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

For the reasons set out below, I don't think Great Lakes has acted fairly and reasonably in the way in which it handled Mrs B's query about whether she could extend coverage under the policy or whether she'd need to buy a new travel insurance policy. And I uphold the complaint. I'll explain why below.

- From listening to the call recordings between Great Lakes' representative and Mr B shortly before and after the date Mrs B was due to return home, I'm satisfied that Mrs B wasn't – at that point – saying she wasn't fit to fly back to the UK on the date originally planned. I'm satisfied she wanted to know whether she needed to take out another travel insurance policy to cover her trip being extended or whether her current policy could be extended until the end of November 2022. Mr B made clear that Mrs B wanted to remain abroad for rest and recuperation. And that's supported by the UK doctor's letter dated 4 August 2022 which was promptly forwarded to Great Lakes by Mr B. So, whilst Mr B did mention the trip being extended due to health reasons this was in the context of Mrs B wanting to remain abroad for rest and recuperation.
- It's not clear to me therefore why she was referred to the medical assistance team. Mrs B didn't require emergency medical assistance and wasn't seeking to make a claim on the policy for medical costs at that stage. I'm satisfied being referred to the medical assistance team confused matters and resulted in unreasonable and unnecessary delays, to Mrs B's (and her son's) detriment.
- Mrs B says – and I accept - she was finding it difficult to get through to the number given for the medical assistance team. I find her submissions credible and persuasive and is supported by a call recording from around the time between Great Lakes' representative and Mr B, where he relays the difficulties Mrs B was having. The representative says she'll pass on Mrs B's details to the medical assistance team to contact her. I'm persuaded from the email correspondence I've seen and a recording of a call between Mr B and Great Lakes' representative dated 10 August 2022, that it took over a week for the medical assistance team to contact her. Given the circumstances and Mrs B's cover was meant to end on 3 August 2022, I don't

think that's reasonable. And I can understand why she was worried and upset.

- I also accept that her upset would've been further exacerbated by being told by Great Lakes on 19 August 2022 that the medical assessment hadn't confirmed she wasn't fit to fly. The medical report she received a couple of days before reflected that she wasn't fit to fly and listed a tentative return date of the end of November 2022. It's also noted in the correspondence I've seen from the time that an assessment of generalised anxiety disorder was made.
- Given that this was the date Mrs B initially said she wanted to extend her trip to and the lack of detail around why she wasn't fit to fly, I can understand why Great Lakes' internal correspondence reflects that a psychiatrist assessment was necessary to confirm the diagnosis. And why Great Lakes suggested choosing the psychiatrist. However, it doesn't look like the option of attending a psychiatry appointment was put to Mrs B before she was informed by Great Lakes that she was fit to fly, there was no reason for her not to return to the UK on her original return date and it wouldn't be extending cover to the end of November 2022.
- Given Great Lakes' conclusion that Mrs B was fit to fly back to the UK as originally planned on 3 August 2022, and the decision was taken not to extend coverage under the policy over two weeks later, it also concluded that it wouldn't now offer to extend coverage under the policy to the 90-day maximum total trip allowance.
- As such, Mrs B was left with no cover in place at that stage and couldn't access the medical assistance she subsequently required under the policy. In the circumstances of this case, and for the reasons set out above, I don't think that was fair.
- I've thought very carefully about what could've happened if Great Lakes had considered Mrs B's initial request to extend the policy before it was due to expire - as it reasonably ought to have done – and that includes not referring Mrs B to its medical assistance team. There are many variables. For example, Great Lakes could've offered to extend the policy up to the date towards the end of September 2022. That was one of the options available as confirmed in initial conversations I've listened to between Mr B and Great Lakes' representative. Great Lakes has also said to our Service that there were other specialist insurers available who can offer travel insurance whilst someone is abroad – and Mr or Mrs B may have been told about this if the matter hadn't been referred to the medical assistance team. And if Mrs B did want to extend her trip to the end of November 2022 rather than return towards the end of September 2022, she may have opted for that.
- However, on the balance of probabilities, I'm satisfied that it's more likely than not that she would've extended the policy until the end of September 2022. She would've still had the benefit of another two months before having to return home.
- So, I've thought about whether Mrs B would've been fit to fly at this time. There's limited medical information available, and I don't think it would be fair and reasonable to hold Mrs B responsible for this. As the policy had ended by mid-August 2022, there was no reason for her to obtain regular medical reports regarding her fitness to fly.
- However, there is a letter from a treating hospital dated October 2022, which reflects that Mrs B was admitted to hospital for three nights with constipation and commenced treatment with a multidisciplinary medical team including psychiatrist, rheumatologist, dietician and clinical psychologist. She was admitted to hospital

towards the end of September 2022 and around the time the policy could've been extended to. So, I think it's unlikely that she would've been fit to fly home then and it's likely that it would've been medically necessary to extend the policy past the date towards the end of September 2022.

- If everything proceeded as it ought to have done when Great Lakes was first contacted about extending the policy, it's unlikely that Mrs B would've attended the medical assessment in mid-August 2022 at the request of the medical assistance team and wouldn't have felt faint immediately beforehand. But I don't think it would be fair to totally disregard the medical evidence from mid-August 2022 as I think it's still relevant and gives some insight into Mrs B general state of health.
- The fit to fly certificate issued in August 2022 said that Mrs B wouldn't be fit to fly until the end of November 2022. I'm not a medical expert but in the absence of medical evidence to the contrary at that time, I don't think I can fairly conclude that Great Lakes was reasonable to discount that medical opinion, particularly given it didn't appoint a psychiatrist to further assess Mrs B (although this was recommended in the internal communications I've seen at the time). A psychiatrist is likely to have provided further insight into Mrs B's anxiety disorder and whether she was fit to fly before 30 November 2022 as advised by the treating hospital.
- Mrs B says she continued to be unwell and has required further treatment abroad including in December 2022 and January 2023, which she has personally paid for. I'm currently satisfied that Great Lakes should pay the medical costs personally incurred by Mrs B since the policy ended. That's on the basis that it's likely that the policy would've been extended to the date towards the of September 2022 if Mrs B had been offered and taken that option. And it's likely that it would've been medically necessary to further extend the policy beyond that date for reasons set out above.
- I also think Mrs B has been put to unnecessary distress and inconvenience. In response to our investigator's view, Great Lakes accepts that there were unreasonable delays in having the medical assistance team contact her and offered £250 compensation to reflect that.
- However, I'm satisfied that Mrs B had to travel many miles to attend an unnecessary medical assessment to see whether she was fit to fly in mid-August 2022. I'm also satisfied that Mrs B has been left in an upsetting and worrying situation after mid-August 2022, when cover ended, whereby she'd been left with no travel insurance for her and her young son whilst abroad, during a time when she's been unwell and needed medical treatment (the costs of which she's been personally responsible for). She hasn't had the support of the medical assistance team which I think would've still been in place if everything had progressed as it ought to have from the outset. I'm persuaded that compensation in the sum of £750 more fairly reflects the distress and inconvenience she experienced because of Great Lakes' errors in this case.

Putting things right

When responding to this provisional decision I request:

- Great Lakes to provide documentary evidence to our Service confirming the premium Mrs B would've been charged had the policy been extended to a date towards the end of September 2022; and
- Mrs B to provide documentary evidence to our Service of the medical expenses she

incurred whilst abroad and documentary evidence that these have been paid by her, and when.

That's because within 28 days from the date on which our Service notifies Great Lakes that Mrs B accepts my final decision, I'm intending to direct Great Lakes to:

A. pay, in full, Mrs B's medical expenses incurred after the policy ended in mid-August 2022.

B. pay Mrs B an amount to reflect simple interest at a rate of 8% per annum from the date on which she made payment of each of those medical expenses to the date on which those expenses are settled by Great Lakes.

C. deduct from the total sum of A. and B. above the premium Great Lakes would've charged Mrs B had the policy been extended to late September 2022.

If Great Lakes considers it's required by HM Revenue & Customs to take off income tax from any interest paid in respect of B above, it should tell Mrs B how much it's taken off. It should also give her a certificate showing this if she asks for one. That way Mrs B can reclaim the tax from HM Revenue & Customs, if appropriate.

I also intend to direct Great Lakes to pay Mrs B £750 compensation for distress and inconvenience.

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The response to my provisional decision

Mrs B replied to my provisional decision, providing receipts of cash payments she said she made before she set up a bank account in the country she was staying. She also provided bank statements showing payments made to medical facilities/hospitals and pharmacies at various times during the period September 2022 to January 2023. Mrs B was unable to provide many medical reports or receipts in support of the payments made.

Mrs B says the hospitals didn't provide invoices; she was required to pay before receiving treatments. And she didn't keep copies of prescriptions. She says that she and her son needed hospital treatment and medication for various medical conditions including malaria, typhoid fever, and conditions she'd declared when taking out the policy as reflected on the medical declaration certificate.

Our investigator sent the bank statements and receipts sent to Great Lakes for comment.

Great Lakes responded. It said without the invoices or medical reports, it's unable to validate the medical expenses incurred or what they relate to. The requirement of the policy terms and conditions would be to contact the assistance company whilst abroad to notify it of the medical treatment needed, which didn't happen. And many of the medical costs were from after late September 2022, which would've been after the maximum 90-day trip limit provided by the policy.

It also said, even if Mrs B was admitted to hospital around the last day of potential cover, it's unlikely that it would've suggested Mrs B significantly extend her trip and incur further medical costs for several months after the maximum trip limit had been exceeded and without medical evidence in support of the extension. Medical reports would've been required to verify why Mrs B wasn't medically fit to return to the UK to continue treatment

there. And the medical assistance team would've worked with the treating hospital and Mrs B to safely repatriate her to the UK once she was deemed fit to fly.

However, it agreed that it would be reasonable to consider the costs being claimed subject to receiving medical reports and invoices to confirm diagnosis and treatment received.

Great Lakes also said it would've cost around £402 to extend the policy on the basis that Mrs B paid around £297 for the policy to cover her and her son, covering the original dates of their trip (40 days). And around £699 for a policy with a start date of 16 September 2023 and ending on 15 December 2023.

I asked whether there was anything from the time in early August 2022 rather than a quote covering a three-month trip, around a year after Mrs B's request to the extend the policy. Great Lakes says it's unable to provide a retrospective quote. It's provided another quote covering a 50-day trip for the period 18 October 2023 to 6 December 2023, costing £365.27.

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.

That includes everything I've received since I issued my provisional decision. Having done so, I uphold Mrs B's complaint. I'll explain why.

- Mrs B says she wasn't provided with invoices or detailed medical reports for many of her and her young son's hospital visits. She has provided details of the reasons for her hospital visits, and I find her submissions persuasive. What she says isn't inconsistent with the limited medical information I have been provided from around the time.
- I've thought very carefully about what Great Lakes says about Mrs B being unable to evidence the reasons for the medical expenses incurred. However, given that some of the hospital treatment took place over a year ago, I think it's unlikely she'll now be able to get any further information from the hospital/medical facilities.
- I'm satisfied from the limited medical evidence I have seen, that had the policy been extended to late September 2022, Mrs B and her son wouldn't have been able to fly home at that point. From what I've seen, I'm persuaded she was in hospital for a number of days. I can't be sure what would've happened after she left hospital. There are many possibilities including Mrs B being well enough to be repatriated back to the UK shortly after leaving hospital or not – in which case she would've remained in the country she was staying in for a period until it was determined that she was medically fit to return.
- For reasons set out in my provisional decision, I think it's Great Lakes' error which led to Mrs B not being able to extend the policy - although enquiries were made by her husband to do so the day before the policy was due to end. And if she was given the option to extend the policy to the end of September 2022, for reasons set out in my provisional decision, I still think she would've done so. I've received nothing from Great Lakes in response to my provisional decision which changes my mind on this point.
- I think the medical evidence about whether Mrs B is likely to have been fit to fly shortly after her hospital admission is very limited. I don't think it would be fair and reasonable in the circumstances of this case, to hold Mrs B responsible for that. As

there wasn't a policy in place, I don't think it's reasonable to expect Mrs B to be thinking whether she was fit to fly back to the UK at the time or to seek medical option on this issue. I think it's reasonable to expect her to have focused on her health and welfare and caring for her son. On the balance of probabilities, I don't have enough to say that she would've been fit to fly or be repatriated home (or if so, what support she would've required and at what financial cost to Great Lakes) at the time.

- I appreciate Great Lakes' points that Mrs B may have been fit to fly at some point after the end of September 2022 and before she eventually returned to the UK in early 2023. However, again, due to the lack of medical evidence and on the balance of probabilities, there's nothing to persuade me that she was – or if she was, when. There were frequent hospital visits and pharmacy costs incurred, which I accept were for medication. And I've seen nothing to persuade me that the medical visits and medications weren't for her and her son or weren't genuinely incurred.
- So, for the reasons explained (and those contained in my provisional decision which forms part of this final decision) and in the very specific circumstances of this case, I think it would be fair and reasonable for Great Lakes to pay Mrs B for the medical expenses she incurred paying medical facilities/hospitals for treatment and the pharmacy costs incurred until she returned home in early 2023. That's based on the receipts she's been able to provide for cash payments from before September 2022 and the sums itemised on her bank statements, which were provided to Great Lakes after my provisional decision was issued. I understand the total amount is around £3,100.
- I think it would be fair and reasonable for Great Lakes to deduct from this amount any policy excess Mrs B would've been required to pay under the policy if it had been in place at the time and the premium, she would've needed to pay to extend the policy to a date towards the end of September 2022 (which would've been the maximum 90 day period the policy provided cover for under a single trip policy).
- Great Lakes hasn't been able to provide documentary evidence of the additional premium which Mrs B would've paid to extend the policy in early August 2022 for another 50 days. It's provided a quote covering Mrs B and her son for a 50-day trip starting October 2023 in the sum of £365.27. I'm persuaded that it would be fair and reasonable to use that amount in the circumstances of this case because the daily rate works out to be similar the daily rate for the policy she originally purchased, covering a 40-day trip.
- I know Mrs B has requested that I direct Great Lakes to make payment to her within 14 days from the date the Financial Ombudsman tells Great Lakes that she accepts my final decision. However, I'm satisfied that 28 days is fair and reasonable. This allows Great Lakes a reasonable timeframe to arrange payment. Great Lakes might be able to make payment before that.

Putting things right

Within 28 days from the date on which the Financial Ombudsman Service notifies Great Lakes that Mrs B accepts my final decision, I direct Great Lakes to:

- A. pay, in full, Mrs B's medical expenses incurred after the policy ended in mid-August 2022 (less the policy excess, if applicable) using the applicable currency exchange rates in place at the time each payment was made.

- B. pay Mrs B an amount to reflect simple interest at a rate of 8% per annum from the date on which she made payment of each of those medical expenses to the date on which those expenses are settled by Great Lakes.
- C. deduct from the total sum of A. and B. above the sum of £365.27 representing a fair reflection of the likely premium Great Lakes would've charged Mrs B had the policy been extended to late September 2022.
- D. pay Mrs B £750 compensation for distress and inconvenience.

If Great Lakes considers it's required by HM Revenue & Customs to take off income tax from any interest paid in respect of B above, it should tell Mrs B how much it's taken off. It should also give her a certificate showing this if she asks for one. That way Mrs B can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I uphold Mrs B's 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 Mrs B to accept or reject my decision before 10 December 2023.

David Curtis-Johnson
Ombudsman