

The complaint

Mr and Mrs W complain about how Great Lakes Insurance SE handled their travel insurance policy. Reference to Great Lakes includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, in May 2022, Mr and Mrs W took out an annual travel insurance policy underwritten by Great Lakes. Mr W declared three medical conditions

On 18 January 2023, Mr W had eye surgery for a detached retina. On 19 January 2023, Mr W phoned Great Lakes to tell it about the procedure. Great Lakes told Mr W that the procedure he'd had wasn't on its list of acceptable procedures and that meant that all of Mr W's pre-existing conditions wouldn't be covered under the policy. Great Lakes said that Mr W could cancel his trip and make a claim for cancellation, cancel the policy and have a pro rata refund or continue to travel in the knowledge that his pre-existing medical conditions were no longer covered.

I understand that on 25 January 2023, Mr W had post operative checks. The consultant discharged Mr W and told him he was fit to fly. Mr and Mrs W took out a new annual travel insurance policy with another insurer. On 1 February 2023, Mr W cancelled his policy with Great Lakes and received a pro rata refund of £338.55. Mr and Mrs W travelled as planned on 5 February 2023.

Mr and Mrs W say that Great Lakes was wrong to conclude that it wouldn't cover Mr W's pre-existing conditions. He says that a proportionate response would have been to exclude claims arising from his eye surgery and not to exclude cover for his previously declared and accepted pre-existing conditions. Mr W says that he was worried he'd be uninsured and that they had to cancel a perfectly acceptable policy. Mr and Mrs W complain about how Great Lakes handled the complaint in that it withdrew the offer to talk to Mr W about the matter. They want Great Lakes to acknowledge its errors and pay compensation of £200 in relation to their inconvenience and worry.

In response to Mr and Mrs W's complaint, Great Lakes said that it had made an error in its final response to Mr W in that it referred to Mr W waiting for surgery when in fact he was waiting to be discharged from post operative checks. But it said that it had responded correctly to the new medical information provided by Mr W. And it had offered to update the policy once Mr W had undergone post operative checks and before Mr and Mrs W's trip on 5 February 2023.

One of our investigators looked at what had happened. He said that this service can't consider complaints about complaint handling, as it's not a regulated activity but that he could consider the other parts of the complaint.

The investigator said that Great Lakes made an error as retinal detachment is on its list of acceptable medical conditions. He said that Great Lakes now acknowledges that it should have referred Mr W's case for assessment and it's likely than it would have

continued to offer cover. The investigator also said that Great Lakes made an error in its final response letter in that it referred to Mr W waiting for surgery whereas he was waiting for discharge from pre-operative checks. He thought that fair compensation in this case was £200 in relation to Mr and Mrs W's distress and inconvenience.

Great Lakes said that it mainly agreed with the investigator's view but didn't agree that compensation of £200 was fair. The investigator considered what Great Lakes said but didn't change his view. Great Lakes asked that an ombudsman consider the complaint, so it was passed 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.

'the relevant terms and conditions

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

'Changes to your health after purchasing your policy

*If after **you** purchase your policy, or before booking any new trips, any of the following happens:*

- ***you** are diagnosed with a new **medical condition***
- ***your doctor**, or consultant changes your prescribed medication*
- ***you** receive inpatient medical treatment*
- ***you** are now awaiting a diagnosis, investigation, test results or medical treatment*

*then **you** must contact Staysure Customer Services. A member of the team will ask you specific questions about **your medical condition(s)**.*

*This may result in an additional **premium** to allow cover to continue, to add additional Terms and Conditions to your policy or to exclude cover for the newly diagnosed condition or for the condition that has undergone significant change.*

*If **we** are unable to continue to provide cover, or if **you** do not wish to pay the additional **premium** **you** will be entitled to make a claim under Section 1 (Cancellation) for costs which cannot be recovered elsewhere for trips booked prior to the change in health.*

*Alternatively, **you** will be entitled to cancel **your policy**, in which case, **we** will refund a proportionate amount of **your premium**.*

*Please note that **your doctor**, or consultant telling **you** that **you** are not well enough to travel does not mean that **you** will be covered for your pre-existing medical condition(s). [...]*

'Medical Declaration

[...]

One of the following can be covered as standard if **you** are either awaiting a procedure, or have not been fully signed off from all post-procedure follow ups providing **you** are not travelling against your UK doctor's advice. This must be accepted by Staysure and shown on **your Validation Certificate** and an additional **premium** may be required.

[...]

Retinal detachment (no blurriness and not flying within 60 days)

[...]

Where you have not been signed off from all post-procedure, or treatment follow-ups.

For the procedures listed on the previous page full cover will be provided except for medical and repatriation expenses arising as a result of, or related to the procedure **you** are awaiting to be signed off from. [...]

It is a condition of this policy that should **you** be awaiting sign-off from the follow-ups relating to any of the procedures listed above that:

1. All surgical stitches have fully healed and no longer require dressing
2. All external stitches, sutures, or staples have been removed
3. There have been no complications, or infections after having had the procedure
4. **Your** mobility is no worse than it was before **you** had the procedure
5. **You** obtain a letter from **your** GP (doctor) confirming that **you** are medically fit enough to undertake this **trip**
6. **You** understand that this **policy** will not cover the cost of any follow-ups required during the insured **trip**.'

has Great Lakes acted unfairly or unreasonably?

I uphold Mr and Mrs W's complaint and I'll explain why:

- It's now common ground that Great Lakes made an error following Mr W's disclosure of his surgery. Great Lakes has acknowledged that its usual process broke down and that Mr W's case should have been referred for assessment. It says that if that had happened, it's more likely than not that cover would have continued. I think that's a reasonable conclusion as retinal detachment is one of the medical conditions Great Lakes is willing to cover.
- As a result of Great Lakes' error, Mr and Mrs W were worried about Mr W's insurance cover in relation to their imminent trip. This was no doubt already a worrying time, as Mr W was recovering from surgery. Mr and Mrs W had to act swiftly to ensure that Mr W had cover for their trip. They were put to unnecessary trouble following the cancellation of their policy with Great Lakes and they had to arrange cover elsewhere shortly before their planned trip.
- As the investigator explained, we can't consider the concerns about Great Lakes' withdrawal of the offer to speak with Mr W about the complaint, as that's not a regulated activity. But we can consider Mr and Mrs W's concerns about the content of Great Lakes' final response letter, as that was a continuation of the provision of the underlying financial service and the expected customer service associated with it. Great Lakes made an error in the final response letter in that it referred to Mr W waiting for surgery when that wasn't in fact the case. I think that caused further confusion.

- The remaining issue for me to decide is the fair level of compensation for Mr and Mrs W's distress and inconvenience in this case. Considering everything, I think that compensation of £200 is fair and reasonable. In reaching that view, I've taken into account the nature, extent and duration of the distress and inconvenience caused to Mr and Mrs W as a result of Great Lakes' errors in this case.

Putting things right

In order to put things right, Great Lakes should pay Mr and Mrs W compensation of £200 in relation to their distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. Great Lakes Insurance SE should now take the step I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 15 November 2023.

Louise Povey
Ombudsman