

The complaint

Mr and Mrs S are unhappy with the service they received from Great Lakes Insurance SE and the settlement of their claim.

What happened

Mr S became unwell whilst abroad with a heart problem. Mr and Mrs S were unable to return home as planned and remained abroad for around a week after their original planned return date. They had to pay for additional accommodation and return flights. They claimed for expenses totalling around £5500.

Mr and Mrs S are unhappy with the assistance they received from the emergency assistance team. They were also unhappy with delays in handling and settling their claim. In summary, they were unhappy with the customer service and handling of their claim. Great Lakes issued two final response letters. They said that Mr and Mrs S had been offered a good level of customer service whilst they were abroad. However, they offered £150 compensation for the delays in handling the claim.

Our investigator looked into what happened and didn't uphold Mr and Mrs S's complaint. He thought that Great Lakes had handled the claim appropriately whilst Mr and Mrs S were abroad. He was satisfied the claim had been fairly settled and thought the £150 fairly reflected the inconvenience caused by delays.

Mr and Mrs S didn't agree and asked an ombudsman to review their complaint. They said that they'd been given reassurance that all their costs would be covered and highlighted some of the poor service they experienced. They said that their flights and accommodation should at least be covered.

In November 2023 I issued a provisional decision. I said:

Great Lakes has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The settlement of the claim

The policy terms and conditions set out that there is a limit for claims for additional accommodation and travelling costs. The limit is £2000, and the terms say that the limits of cover are per insured person unless otherwise shown.

Mr and Mrs S's claim was assessed under the emergency medical and repatriation expenses section of cover. It says:

We will pay up to amount shown on the table of benefits for each insured person who suffers sudden and unforeseen bodily injury, or illness, or who dies during a trip outside your home country...

f) Up to £2000 for you to extend your stay, if [redacted] agrees that it is

medically necessary for:

i. extra accommodation (room only) and travel expenses to allow you to return to your home country; and

ii. extra accommodation (room only) for someone to stay with you and travel home with you if this is deemed necessary by a doctor and agreed by our medical officer; or

iii. economy class travel expenses for one relative or friend to travel from your home country to stay with you (room only) and travel home with you if this is deemed necessary by our medical officer...

g) the cost of telephone calls to [redacted] notifying and dealing with the emergency, or any costs incurred by you when you receive calls on your mobile telephone from [redacted].

Mr and Mrs S's claim was for a number of expenses. £4019.68 was for additional accommodation and £1145.43 was for new flights home.

I don't think Great Lakes has fairly settled the claim in line with the terms. The policy limit is per insured person and so I think they should have paid Mr and Mrs S £4000 as they were each entitled to claim for extra accommodation and travel expenses, up to the policy limit.

Mr and Mrs S's claim was for more than that amount, but I think the policy limit per insured person should still apply as that's clearly set out in the policy documentation. I've taken into account that Great Lakes confirmed to Mr S that he'd got full coverage. But I think it's reasonable to conclude that would still be subject to the overarching policy terms, including the relevant policy terms and limits. So, I can't fairly say that Great Lakes should pay the claim in full. Therefore, I think Great Lakes should pay Mr and Mrs S a further £2000 towards their accommodation and travel expenses.

There is separate cover for phone calls made to and from the assistance line. My understanding is that Mr and Mrs S claimed for £103.25 for calls they made and received whilst abroad. I think these are covered under the policy and ought to be settled in line with the policy terms if they haven't been settled already. If Great Lakes has settled any of these phone call expenses already, they should confirm this when they respond to my provisional decision.

Emergency Assistance

I'm satisfied that Great Lakes responded appropriately to the medical emergency. I think Great Lakes took all the steps I'd expect them to in a case like this. That included obtaining and reviewing Mr S's medical history and referring it to the underwriter to confirm coverage as there were some medical conditions which hadn't been declared at the time of purchase. I can also see that a guarantee of payment was promptly issued, and that Great Lakes were proactively moving things forward.

However, I think this could have been better communicated to Mr and Mrs S. They felt in limbo as they didn't know what was happening. Mr S had to chase for an update after a few days and he has highlighted emails that weren't responded to. Great Lakes says the assistance team tried to call Mr S, but he had no messages or missed calls. He's also pointed out that Great Lakes could have made contact via

their hotel. He specifically referenced these concerns in correspondence with the assistance company on 30 September.

I do think Great Lakes could have communicated with Mr S more clearly and consistently, including contacting him by email where necessary. I think they could have explained more clearly their plans and what was happening in the background. I don't think it was always clear what the plan was and what Great Lakes was doing. However, I do acknowledge that Great Lakes were communicating with Mr S's daughter, and Mrs S as well.

I've taken into account that Mr S did receive the medical care he needed, and I do think Great Lakes were actively making plans to get Mr S home, even if that wasn't clearly communicated to him. So, I can understand why Mr S was left feeling that things weren't moving forward, particularly as he and Mrs S needed to return for business commitments.

Overall, I think Great Lakes were acting with Mr and Mrs S's best interests in mind and that the repatriation plan progressed appropriately. But, as I've outlined above, I think the lack of clarity about the process caused Mr and Mrs S to worry at an already difficult time. So, I think Great Lakes should pay £100 compensation for the lack of clarity in the communication about the repatriation plan.

Delays in Handling the claim

Great Lakes has acknowledged there were delays in handling the claim and offered £150 compensation. The claim was ongoing for some time, particularly because information from the medical assistance team wasn't readily available. And Mr and Mrs S were promised a manager call back, which didn't happen. They also requested to speak to a manager on a number of occasions.

Mr and Mrs S were claiming for a significant amount of money. I can understand why the delays and poor service added to their worry and frustration. Overall, it took until mid-June 2023 for the original settlement to be made, despite the claim being registered in October 2022. I don't think that was a reasonable timescale in all the circumstances. I think £250 compensation more fairly reflects the distress and inconvenience caused to Mr and Mrs S.

Putting things right

I'm intending to direct Great Lakes to put things right by paying:

- An additional £2000 to settle the claim
- The cost of Mr and Mrs S's calls to and from the assistance line if these haven't already been settled
- 8% simple interest on the additional £2000 and cost of the phone calls from 16 June 2023 to the date of settlement. If Great Lakes considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs S how much it's taken off. It should also give Mr and Mrs S a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.
- A total of £350 compensation (inclusive of the £150 already offered) for delays and customer service-related issues.

Mr and Mrs S responded to say that they didn't have any further comments but confirmed they hadn't received payment for the phone calls.

Great Lakes didn't agree with my interpretation of the policy terms. However, they agreed to pay the compensation and settle the claim, including the phone bills, accommodation and hospital benefit. They also agreed to pay simple interest, proposing a total additional settlement of around £3565.

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.

As the parties accepted my findings there's no reason for me to reach a different conclusion to that which I set out in my provisional decision.

Putting things right

Great Lakes needs to put things right by paying:

- Settling the claim in line with the remaining policy terms, including the accommodation costs and the cost of Mr and Mrs S's calls to and from the assistance line (subject to the policy limits)
- 8% simple interest on the additional settlement and cost of the phone calls from 16 June 2023 to the date of settlement. If Great Lakes considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs S how much it's taken off. It should also give Mr and Mrs S a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.
- A total of £350 compensation (inclusive of the £150 already offered) for delays and customer service-related issues.

My final decision

I'm upholding Mr and Mrs S's complaint and direct Great Lakes Insurance SE to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 19 December 2023.

Anna Wilshaw
Ombudsman