

## **The complaint**

Mr and Mrs R are unhappy with the way in which their claim has been handled by Great Lakes Insurance UK Limited after making a claim on their travel insurance policy ('the policy'), including not paying their claim in full.

## **What happened**

The details of this complaint are well known to both parties, and as the facts aren't in dispute, I won't repeat them again here.

I issued my provisional decision in December 2023 explaining why I intended to partially uphold this complaint. I provisionally directed Great Lakes to:

A. assess a claim for the confinement benefit at section 14 of the policy terms and conditions (if not already done do so) and if accepted pay this to Mr and Mrs R.

B. pay £100 compensation to Mr and Mrs R for distress and inconvenience.

I invited both parties to respond to my provisional decision but neither party did. The complaint has now been passed back 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.

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

## **The relevant terms**

The terms and conditions of the policy provide Covid-19 cover (at section 14).

Under the heading: "What is covered for cancellation and cutting short your trip", it says:

We will pay you up to the amount shown in the table of benefits for either...  
Cancellation, or ...Cutting Short Your Trip, per insured person for any irrecoverable unused travel and accommodation costs (and other prepaid charges) which you have paid or are contracted to pay, if you were not able to travel and use your booked accommodation or undertake the trip as a result of:

A) you, a close relative, a member of your household, travelling companion or any person with whom you have arranged to stay during the trip has a diagnosis of COVID-19 in the 14 days prior to your booked departure date.

B) you are denied boarding on your pre-booked outbound travel due to you contracting COVID-19, or having a confirmed temperature above 38 degrees Celsius.

C) you are contacted by a representative of the UK Government's Test and Trace service due to the probability of you having contracted COVID-19, and are instructed to self-isolate for a period of time which prevents you from starting your trip using your pre-booked outward travel arrangements.

D) you experiencing an adverse reaction to the COVID-19 vaccine in the 2 weeks before your scheduled departure date and are advised that you are no longer fit to travel by a medical practitioner.

E) you, or your travelling companion being unable to complete the course of COVID-19 vaccinations before your scheduled departure date due to unforeseen illness of you or your travelling companion.

It goes on to say:

Or where you have to Cut short your trip as a result of:

A) the death as a result of COVID-19, of a close relative or a member of your household living in the United Kingdom.

B) the hospitalisation as a result of COVID-19 for treatment with mechanical ventilation, of a close relative or a member of your household living in the United Kingdom.

C) you are unable to continue with a pre-booked excursion following your self-isolation as ordered by a relevant Government authority due to contracting COVID-19, up to a maximum of £350 for all excursions.

"Cut short/Cutting short" is defined as:

Either:

- the immediate direct early return from your trip to your home country, in which case claims will be calculated from the day you returned to your home country and based on the number of complete days of your trip you have not used, or
- being a hospital in-patient outside your home country for a period in excess of 48 hours.

### **The assessment of the claim**

Great Lakes has agreed to cover some out-of-pocket expenses claimed by Mr and Mrs R but not the costs a cruise they missed out on in September 2022 – which formed part of their overall holiday.

That's because before boarding the cruise, Mrs R tested positive for Covid-19.

It isn't disputed that Mrs R tested positive for Covid-19 or had to self-isolate as required by the relevant Government authority and so she and Mr R lost out on the part of their holiday which involved the cruise. Nor is it disputed that Mr and Mrs R self-isolated together in a hotel room, the cost of which has been covered by Great Lakes.

I've considered whether Great Lakes has unfairly declined the claim for the cost of the cruise. And I don't think it has. I'll explain why.

For a claim to be covered under point C of the cutting short section (up to a maximum of £350 for all excursions), I'd need to be satisfied that that Mr and Mrs R was unable to continue with a pre-booked excursion following their self-isolation. And so, the crux of the issue for me to determine in this respect is whether the cruise amounts to an "excursion".

Excursion isn't defined in the policy terms. Taking into account the everyday use of the word, I'm satisfied that a reasonable person would reasonably consider an excursion to be a day trip, outing or a short part of a holiday, usually with a group of people, to do an activity of sorts. That's also consistent with the dictionary definition.

And whilst, I accept that an excursion may sometimes involve overnight stays, in the circumstances of this particular case, I'm not persuaded that it would be reasonable to interpret the cruise – which formed part of a longer holiday – to amount to an excursion. This was a significant proportion of the overall holiday which amounted to over a third of the overall duration.

Because I'm not persuaded the cruise amounted to an excursion and the trip wasn't curtailed due to any other insured events under section 14 of the policy, I don't think Great Lakes has unfairly declined to cover the cost of the cruise Mr and Mrs R couldn't make (or contribute £350 towards its cost).

When deciding this point, I'm also satisfied that this loss isn't covered under another section elsewhere in the policy because under the general exclusions (clause 29 on page 47) it says Great Lakes will not pay for any loss, cost or expense directly or indirectly caused by "any coronavirus including but not limited to COVID-19, or any related/mutated form of the virus unless specifically listed as covered by this policy".

I've also thought about whether Mr and R's claim for the cost of the cruise should reasonably be covered under the insured event of cancellation section (A to E) of section 14, in particular under points A and B but I don't think it would be. That's because cover is only in place if a trip has been cancelled. And 'trip' is defined by the policy as: "a holiday or journey for leisure purposes that takes place during the period of cover which begins when you leave home, and ends when you return home, or to a hospital or nursing home in your home country, whichever is earlier".

Mr and Mrs R did make their outward journey to the country they were visiting. It was only once there – during their holiday – that Mrs R tested positive for Covid-19.

### **The service received**

In its final response letter dated March 2023, Great Lakes accepted that the service Mr and Mrs R received during the claim wasn't up to standard. And that Mr and Mrs R requested a manager call back on numerous occasions which didn't happen. Great Lakes said sorry for this.

In the circumstances of this particular case, I'm not persuaded an apology is enough to reflect the trouble and upset experienced by Mr and Mrs R as a result of the service failings.

I'm satisfied Great Lakes should pay them £100 compensation to reflect the distress and inconvenience it caused them.

### **Confinement benefit**

Section 14 under the heading: “what is covered for Emergency Medical and Repatriation Expenses” says at paragraph (E) that Great Lakes will pay £20 for each complete 24-hour period up to £300 where Mr/Mrs R is ordered to self-isolate in their holiday accommodation by a relevant Government authority, as a result of them contracting Covid-19. It doesn’t look like a claim for confinement benefit has been considered by Great Lakes.

If it hasn’t already been considered, I think it would be fair and reasonable for Great Lakes to assess a claim for the confinement benefit in the circumstances of this case on the basis that Mr and Mrs R were confined to their hotel room for many days – which Great Lakes has accepted (as it’s paid the cost of their hotel accommodation for this period).

### **Putting things right**

I direct Great Lakes to:

A. assess a claim for the confinement benefit at section 14 of the policy terms and conditions (if not already done do so) and if accepted pay this to Mr and Mrs R.

B. pay £100 compensation to Mr and Mrs R for distress and inconvenience.

### **My final decision**

I partially uphold this complaint and direct Great Lakes Insurance UK Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs R to accept or reject my decision before 13 February 2024.

David Curtis-Johnson  
**Ombudsman**