

## **The complaint**

Mr and Mrs R are unhappy that Great Lakes Insurance UK Limited declined a claim made on their 'classic cruise' travel insurance policy ('the policy').

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

## **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.

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 19).

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.

Further under section 19 of the policy terms and conditions there's a section on “what is covered for emergency medical and repatriation expenses”.

It says:

We will pay up to the amount shown in the table of benefits...for each insured person who contracts COVID-19, as proven by a medically approved test showing a positive result for COVID-19, during an insured trip outside the United Kingdom for the following:

...additional travelling costs to repatriate you home when you are denied boarding on your pre-booked return travel due to you contracting COVID-19.

### **Declining the claim**

Mr and Mrs R travelled abroad to a country I'll call 'A'. They've told our investigator that they had planned to stay with family friends and then, after some time, board a cruise ship and travel to a country I'll call 'S'. They were due to spend time with a friend in S before flying back to the UK.

Unfortunately, they were denied boarding the cruise ship in A to travel to S due to the results of a Covid-19 test which was positive. Rather than return to the UK, Mr and Mrs R say they then decided to stay with friends in A before making alternative arrangements to fly to S to still spend time with a friend there.

I know Mr and Mrs R will be disappointed, but I don't think Great Lakes has unfairly declined a claim made under the policy for the cost of the cruise and the air fares they ended up paying for travel from A to S when they weren't able to board the pre-booked cruise crossing. I'll explain why.

- Even if I was satisfied that Mr and Mrs R's trip was cut short in line with the policy terms (which I make no finding on), for a claim to be covered under point C of the cutting short your trip section (up to a maximum of £350), I'd need to be satisfied that

that Mr and Mrs R were unable to continue with a pre-booked excursion following their self-isolation. But I've seen no evidence that they were required to self-isolate because of the positive Covid-19 test.

- Further, and in any event, I'm not satisfied that the pre-booked cruise amounts to an "excursion" in the circumstances of this case.
- 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 not inconsistent 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. The cruise was due to last around four weeks and was a significant proportion of the overall holiday.
- As I'm not persuaded the cruise amounted to an excursion and the trip wasn't cut short due to any other insured events under section 19 of the policy, I don't think Great Lakes has unfairly declined to cover the cost of the cruise Mr and Mrs R weren't able to make (or contribute £350 towards its cost) or the flights they had to book to travel from A to S.
- I don't think Great Lakes should reasonably cover Mr and R's claim under the cancellation section of section 19 (A to E above). That's because cover is only in place if a trip has been cancelled for an insured event as listed under this section and I don't think it was.
- Further, '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 A. It was only once there – during their holiday – that they tested positive for Covid-19.
- Although there's also cover for medical repatriation expenses (including if contracting and testing positive for Covid-19 whilst on an insured trip), in the circumstances of this case, I don't think the flight Mr and Mrs R booked to S after they were denied boarding the cruise is covered. That's because I'm not persuaded the cruise fairly constitutes "pre-booked return travel". The cruise was a separate part of their overall holiday. The cruise was from A to S, not directly from A to the UK.
- I'm also satisfied that the losses being claimed under the policy by Mr and Mrs R aren't covered under another section elsewhere in the policy because under the general exclusions (clause 27 on page 47) it says Great Lakes will not cover claims arising as a result of "claims arising from, or related to any coronavirus including but not limited [to] Covid-19, or any related/mutated form of the virus, unless specifically listed as covered by the policy".

If Mr and Mrs R are unhappy about the information, they were given at the time they bought the policy, and if they haven't already done so, they're free to raise a complaint to the company who sold the policy to them.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 19 February 2024.

David Curtis-Johnson  
**Ombudsman**