

The complaint

Ms H complains about the decision by Great Lakes Insurance SE to turn down her travel insurance claim.

What happened

Ms H holds annual travel insurance cover with Great Lakes. She was scheduled to get a connecting flight to her holiday destination, but missed this because her outbound flight from the UK was delayed due to strikes. So she had to spend the night in a hotel and bought a different flight the next day in order to reach her destination. She made a claim to Great Lakes, who said she was only covered for missed departure of her first outward journey. Unhappy with this, Ms H brought a complaint to the Financial Ombudsman Service.

Our investigator recommended the complaint be upheld. Whilst he accepted the claim wasn't covered under the policy, he thought the cover was restrictive and ought to have been made clear to Ms H (and that it hadn't been). He recommended Great Lakes reconsider the claim, plus interest. He also thought Great Lakes had provided Ms H with a poor service, and recommended it pay her £150 compensation.

Great Lakes didn't agree to deal with the claim, but did agree to pay the £150 compensation. The matter has therefore been passed to me for a 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.

The policy covers missed departure. Under this section, it says:

'We will pay you up to the amount shown on the table of benefits, for reasonable additional travelling and accommodation expenses necessarily incurred to reach your overseas destination or to return to your home country by the most direct route.

If you arrive at the airport, port or international coach or rail terminal to depart too late to commence the first outward international journey abroad of your booked trip, as a result of:

...

b) cancellation, curtailment or delay of scheduled public transport due to adverse weather conditions, strike, or industrial action, or mechanical breakdown, or accident.

...

I accept the policy doesn't cover a missed connecting flight. Though as our investigator has explained, most people would expect cover for missed departure to include connecting flights. I think the fact it doesn't is a significant restriction in cover, and so should have been clearly highlighted to Ms H. I don't think it was here. The reference to the first outward international journey being covered was on page 19 of a 52-page document, and it wasn't mentioned in the policy schedule.

So I'm not satisfied it was clearly brought to Ms H's attention. I think if it had been, Ms H would have likely taken out cover elsewhere or wouldn't have booked a trip with a connecting flight. So I find that Ms H was prejudiced by the matter and therefore Great Lakes should deal with the claim on a fair and reasonable basis under the cover for missed departure (but treat the missed connecting flight as though this was covered under this section).

I also agree with our investigator that Ms H has been caused distress and inconvenience by Great Lakes' handling of her claim. She was led to believe on two occasions that the claim would be paid. However, she didn't receive a payment, and then Great Lakes later told her that the claim wasn't covered. So Ms H was given confusing and contradictory information. I also think Great Lakes took too long to make a claims decision. I agree with our investigator that it should pay £150 compensation for this.

My final decision

My final decision is that I uphold this complaint. I require Great Lakes Insurance SE to do the following:

- Pay the claim under the missed departure section (as though this covered connecting flights), and in line with the remaining policy terms. As Ms H has incurred the costs, she should be reimbursed directly. Interest should be added at the rate of 8% simple per annum from the date the claim was made to the date of settlement*.
- Pay Ms H £150 compensation.**

* If Great Lakes considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms H how much it's taken off. It should also give Ms H a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

** Great Lakes must pay the compensation within 28 days of the date on which we tell it Ms H accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 29 March 2024.

Chantelle Hurn-Ryan
Ombudsman