

The complaint

Mr and Mrs H have complained about the way Great Lakes Insurance SE handled a claim they made on their travel insurance policy.

The complaint involves the actions of the claim administrators. To be clear, when referring to Great Lakes in this decision, I am also referring to any other entities acting on its behalf.

What happened

Mr and Mrs H and their two young children were on holiday abroad in December 2022 when they all became unwell. They were advised to take bed rest and self-isolate. Therefore, Mr and Mrs H made a claim on their insurance policy.

Although part of their original complaint was about the claim not having been paid, Great Lakes subsequently settled the claim to their satisfaction.

Our investigator thought there had been some unnecessary delay in dealing with the claim. He therefore upheld the complaint and recommended that Great Lakes should pay £200 compensation.

Mr and Mrs H disagree with the investigator's opinion as they believe that a higher amount of compensation is warranted. So, the complaint has 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.

I've carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes to handle claims promptly and fairly, and to not unreasonably decline a claim.

Mr and Mrs H made the claim in January 2023 and were asked to provide some supporting information. On 16 March 2023 Great Lakes told them that, although it had the medical report, that didn't confirm the length of time they were told to self-isolate for, so they were asked to provide evidence and dates of that.

On 30 March 2023 Mr H contacted the treating doctor, asking him to confirm that their symptoms had progressed over 5 days for the children, 7 days for Mrs H and 10 days for himself. The doctor responded that the family had been in regular contact with him over the periods mentioned. But this correspondence did not definitively confirm the information that was being asked for, which was the dates of confinement.

Great Lakes then contact Mr and Mrs H again on 5 April 2023 to say that the only medical document it had was the diagnosis and confinement advised on the medical report dated 20 December 2022. So it was asking for any additional reports that would clarify events so that

the curtailment and hospital benefit could be correctly calculated. Mr H responded to say that Great Lakes should now process the claim and that any further requests for information would be considered unreasonable.

It seems apparent that Mr and Mrs H hadn't understood that their statement about the number of days each family member was sick would not suffice as 'evidence'. What was required was something from a medical professional to corroborate that.

By May 2023 Great Lakes had however decided that it would be willing to settle, based on the information that had been provided. But this was subsequently overruled by the underwriter who wanted evidence of the period of confinement.

On 4 July 2023 Great Lakes explained the underwriter's position to Mr and Mrs H. It asked them to provide fitness to fly certificates or written confirmation from the treating doctor to confirm the dates of confinement. They were asked to forward this at their earliest convenience.

Great Lakes' final response letter of 3 August 2023 apologised that there had been some poor communication. But it reiterated that it was awaiting written confirmation from the treating doctor with the confinement dates or fit to fly certificates and that the claim could not be considered further without this information.

Great Lakes and Mr and Mrs H were talking at cross purposes for much of the time. So, whilst Mr and Mrs H believed that they had provided enough information for the claim to be settled, Great Lakes was requesting one last piece of evidence about the periods of confinement.

Mr and Mrs H have quoted from the policy terms to highlight that fitness to fly certificates are not relevant to their circumstances. But, as our investigator explained, the certificates were being asked for as one way of establishing the dates of confinement. Great Lakes also made it clear that an alternative to that would be to provide written confirmation from the treating doctor to confirm the dates.

Although Mr and Mrs H say they received correspondence from Great Lakes asked them not to communicate directly with it anymore, I haven't seen any evidence of that.

It was in January 2024 that Mr and Mrs H finally provided the evidence being asked for. They contacted the treating doctor on 10 January 2024, setting out the number of days that each of the family had been confined to the hotel room, and asking him to confirm that, which he duly did. Having received this information, Great Lakes was then able to finalise the claim.

There were clearly periods of delay and miscommunication between January 2023 and January 2024. Based on the available evidence, I don't hold Great Lakes entirely responsible for this. It could have been clearer about what was needed to meet the threshold for evidence – especially as Mr and Mrs H were saying they had supplied everything. But by 4 July 2023 Mr and Mrs H should reasonably have understood what was required.

By May- June 2023 Great Lakes had led Mr and Mrs H to believe that payment would be made. Whilst I appreciate its intentions in accepting Mr and Mrs H's account of events in good faith, it should perhaps have anticipated that the underwriter would require evidence from a medical professional.

I also take the point that Great Lakes could have approached the treating doctor itself. But it's not unreasonable to expect policyholders to provide evidence in support of a claim. Mr

and Mrs H were able to contact the doctor with ease in March 2023 and so there was no reason to suppose they couldn't do so again to obtain the required evidence (as they eventually did in January 2024).

In summary, I find that Great Lakes was responsible for some delay and miscommunication. Mr and Mrs H had difficulty contacting it by phone and the complaints process was also not progressed in a timely manner. Also, part of the claim was paid prior to receiving final confirmation from the treating doctor, which caused confusion. The question is, what would be a reasonable amount of compensation for the failings that occurred.

Mr and Mrs H would like 8% interest paid on the settlement amount and an additional £1,000 compensation.

It was reasonable that Great Lakes didn't finalise the claim until it received all the necessary evidence. So, I'm not persuaded that Great Lakes needs to add 8% interest to the claim amount.

I appreciate that Mr and Mrs H feel strongly that they should receive an amount around £1,000 for distress and inconvenience. However, as an alternative dispute resolution service, our awards are lower than they might expect and different to what a court might award. Our investigator has previously signposted them to the guidance on our website.

I've thought very carefully about what Mr and Mrs H have said. However, on balance, I'm satisfied that £200 is reasonable and proportionate compensation for the distress and inconvenience caused.

My final decision

For the reasons set out above, I uphold the complaint and require Great Lakes Insurance SE to pay Mr and Mrs H £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms H to accept or reject my decision before 1 April 2024.

Carole Clark
Ombudsman