

The complaint

Mr and Mrs H are unhappy with the settlement made by Great Lakes Insurance SE when they claimed on their travel insurance policy.

What happened

Mr H was hospitalised whilst abroad. He contacted his insurer for assistance but ultimately Mr and Mrs H had to pay for their own medical expenses, new flights and additional accommodation. On their return they submitted a claim for approximately £14, 800 but were offered a settlement of £11, 416.57.

Mr and Mrs H complained to Great Lakes. In their final response letter Great Lakes said they were not upholding the complaint and maintained the settlement figure was fair. Mr and Mrs H complained to The Financial Ombudsman Service.

Our investigator looked into what happened and partly upheld the complaint. He thought there were avoidable delays during the time that Mr and Mrs H were abroad and on their return to the UK. He didn't think Great Lakes had communicated proactively with Mr and Mrs H. He recommended Great Lakes paid £750 compensation for the distress and inconvenience caused. He also recommended that Great Lakes covered the cost of Mr and Mrs H's return flights home, additional accommodation up to the policy limit and the interest they incurred on their credit card.

Great Lakes didn't provide any substantive comments on the investigator's findings. Mr and Mrs H pointed out that Mr H was advised by the treating team to convalesce for up to 72 hours and had contacted the emergency assistance team for guidance. Mr and Mrs H also provided their comments on that call and the information they were given. So, I need to make 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.

At the outset I acknowledge that I've summarised this complaint in far less detail than Mr and Mrs H have, and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern our service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory remit.

The relevant rules and industry guidelines say that Great Lakes needs to handle claim promptly and fairly. And, they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

We will pay up to the 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 for the following:

a) medical expenses (including transportation to the nearest suitable hospital) for the immediate needs of an unforeseen medical emergency, when deemed necessary by a recognised doctor and agreed by our medical officer.

b) up to £250 for Basic cover and £400 for Comprehensive cover in total for emergency dental treatment as long as it is for the immediate relief of pain only, or for emergency repairs to dentures, or orthodontic appliances carried out solely to alleviate distress in eating.

c) up to £5,000 for the usual and customary burial, or cremation of a deceased insured person should you die during a trip to a country outside of the United Kingdom; or the cost of returning an insured person's body or ashes to your home country.

d) additional travelling costs to repatriate you home when recommended by our medical officer.

e) the cost of a medical escort if considered necessary by our medical officer.

f) up to £2,000 for you to extend your stay, if Staysure Assistance agrees that it is medically necessary for:

i. extra accommodation (room only) and travel expenses (economy class travel unless an upgrade is deemed to be medically necessary and this is authorised by Staysure Assistance) 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.

I'm intending to partly uphold this complaint because:

- I don't think Mr and Mrs H received a good level of service during the time they were abroad. I think there were some avoidable delays and the communication could have been more proactive and clearer. Mr and Mrs H had a similar experience during the claims handling process when they returned to the UK. Great Lakes also hasn't disputed our investigator's findings on these points.
- This poor service caused Mr and Mrs H significant distress and inconvenience at an already difficult time, when Mr H was hospitalised and unwell. I think a total of £750 compensation fairly reflects the distress and inconvenience caused to them.
- The policy terms and conditions refer to cover for up to £2000 for additional accommodation costs. I don't think it's unreasonable for Great Lakes to apply the policy limit specified in the section as it refers to a cap of £2000 in the paragraph relating to additional accommodation if an extended stay is required.
- I think it would be reasonable for Great Lakes to pay for the additional flights Mr and Mrs H paid for as they missed their original flight home. This is listed separately from the accommodation costs I've referred to above. So, I think it would

be fair and reasonable for Great Lakes to cover these additional expenses. And, as I've outlined above, Great Lakes didn't provide any further representations in response to our investigator's recommendations on this.

- Mr and Mrs H have incurred interest charges on their credit card as a result of having to cover the medical and other expenses. I think it would be fair and reasonable for Great Lakes to cover the interest they paid up until the date of the claim settlement. This is subject to Mr and Mrs H providing copies of their statements showing the amount of interest they've paid.
- I've taken into account the relevant call Mr and Mrs H highlighted including the information they were given about claiming for out-of-pocket expenses and the assurances they were given about next steps. However, any claim is always subject to the relevant policy terms and limits. So, I can't fairly conclude that all the out-of-pocket expenses should be covered or that Great Lakes implied that would be the case. And, I think the compensation I'm awarding for the distress and inconvenience caused fairly reflects the failings in relation to communication.

Putting things right

Great Lakes needs to put things right by paying Mr and Mrs H:

- £750 compensation for the distress and inconvenience caused by poor customer service
- The relevant amount of interest Mr and Mrs H have paid on the balance of their credit card from the date the costs were incurred until the date of the claim settlement. Mr and Mrs H will need to provide evidence of the interest incurred by providing Great Lakes with copies of the relevant statements. Great Lakes should calculate the appropriate amount of interest based on the statements provided.
- The cost of their additional flights home.

My final decision

I'm partly upholding this 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 and Mrs H to accept or reject my decision before 9 May 2024.

Anna Wilshaw
Ombudsman