

## **The complaint**

Ms C, Ms K, Ms M and Mr M1, Mr M2 and Mr M3 complain about Great Lakes' decision to turn down a cancellation claim they made on a travel insurance policy.

As Mr M1 brought the complaint to us, for ease, I've referred mainly to him.

## **What happened**

In October 2022, Mr M1 booked a UK holiday. He and the rest of the party were due to travel in September 2023. However, in December 2022, Ms M was confirmed to be pregnant. And her due date was scheduled to fall around the time of the holiday. So in March 2023, Mr M1 cancelled the holiday and made a claim for the irrecoverable cancellation costs.

Great Lakes turned down this claim. It said the circumstances of the claim weren't covered by the policy terms.

Mr M1 was unhappy with Great Lakes' decision and he asked us to look into this complaint. He didn't think the policy was drafted in a clear or understandable way. And he said Ms M's midwife had certified Ms M's pregnancy and due date.

Our investigator didn't think this complaint should be upheld. She didn't think it had been unfair for Great Lakes to conclude that the claim wasn't covered by the policy terms. So she didn't think it had acted unreasonably when it turned the claim down.

Mr M1 disagreed. He maintained that the policy wasn't clearly or fairly drafted. Ms M told us that she'd been signed-off from work sick in June 2023 with a pregnancy-related illness. And I understand Ms M also needed an emergency caesarean section to deliver her baby.

The complaint's been passed 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.

Having done so, whilst I'm very sorry to disappoint Mr M1, Ms C, Ms K, Ms M, Mr M2 and Mr M3, I don't think it was unfair for Great Lakes to turn down their claim and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of the policy and the circumstances of this claim, to decide whether I think Great Lakes treated Mr M1 and his party fairly.

I've first considered the policy terms and conditions, as these form the basis of the contract between Mr M1 and Great Lakes. The policy terms set out a list of the listed 'insured events' Great Lakes has chosen to cover. Section 2 – Cancellation says that Great Lakes provides

cover if a trip has to be cancelled due to one of the following, specific reasons which I've summarised below:

- The death, bodily injury or illness (certified by a medical practitioner) of an insured person; their travelling companion; a relative; colleague or person the policyholder intended to stay with;
- A policyholder being required to attend at a court of law either as a witness or as part of a jury;
- A policyholder or their travelling companion being a member of the armed forces or emergency services and having their authorised leave cancelled due to an emergency;
- A policyholder being instructed to stay at home in the seven days prior to departure by a relevant authority due to severe damage at their property caused by burglary; fire; explosion, flood or subsidence; or
- A policyholder's (or their travelling companion or spouses') involuntary redundancy if it was notified after the trip was booked.

In my view, Great Lakes has clearly set out the insured events it's chosen to cover under the cancellation section of the policy. Cancellation due to a pregnancy in and of itself simply isn't something Great Lakes has chosen to include within this list of specific insured events. And a pregnant policyholder's due date falling within the duration of a planned trip isn't covered either.

Great Lakes has also set out a list of things it's specifically decided to exclude from cancellation cover. I've set out what I consider to be the key terms below:

*'What is not covered*

*Cancellation arising from pregnancy or childbirth if:*

- a) The expected date of delivery is less than 12 weeks...after the scheduled end of the trip; or*
- b) The cancellation of the trip is not certified by a Medical Practitioner as necessary due to the complications of pregnancy or childbirth.'*

Mr M1 considers that the policy isn't drafted in a clear or understandable way and so it should be interpreted in his favour. I don't agree that the policy wording is ambiguous, I think it's clear enough that pregnancy isn't covered if a baby's due date is less than 12 weeks after a holiday is due to end.

Even if I'm wrong on this point though, I think Great Lakes has made it sufficiently clear that cancellation claims are only payable if a medical practitioner certifies that the cancellation is necessary due to the *complications* of pregnancy or childbirth. In my experience, most, if not all, insurers include similar terms in travel insurance policies.

In this case, whilst I appreciate Ms M unfortunately went on to suffer from a pregnancy-related illness, this was some months after the trip had already been cancelled. I've looked closely at the claim form Mr M1 completed. He noted that the reason for cancellation was that Ms M's due date '*clashes with the planned holiday.*' So the proximate cause of the trip cancellation doesn't seem to have been because of any complications of Ms M's pregnancy. Instead, it seems to have been because Ms M's expected date of delivery clashed with the trip. I appreciate a midwife certified that Ms M was pregnant and stated Ms M's expected due date on her MAT B1 certificate. But again, there's no medical evidence to indicate either

that Ms M was suffering from pregnancy complications at the time the trip was cancelled or that the trip had to be cancelled due to such pregnancy complications.

On that basis, while I can entirely understand why Mr M1 chose to cancel the trip and I sympathise with the travelling party's position, I don't think it was unfair for Great Lakes to conclude that the claim wasn't covered by the policy terms. And nor do I think there are any reasonable grounds upon which I could direct Great Lakes to accept and pay this claim.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C, Ms M, Ms K, Mr M1, Mr M2 and Mr M3 to accept or reject my decision before 18 March 2024.

Lisa Barham  
**Ombudsman**