

The complaint

Mr M and Miss T have complained that Great Lakes Insurance UK Limited ('Great Lakes') has unfairly declined their claim.

All reference to Great Lakes includes any agents acting on its behalf.

What happened

Mr M and Miss T bought a single trip travel insurance policy on 3 August 2023, underwritten by Great Lakes.

Later the same day, Miss T attended hospital due to leaking waters relating to her pregnancy and was advised not to travel abroad.

Miss T called Great Lakes and asked if she would be covered. She says she was told she would be covered and so went ahead with the cancellation and claim.

Great Lakes declined the claim as the policy only provided cover for cancellation for specified complications of pregnancy.

Miss T complained and unhappy with Great Lakes' response, referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that the claim had been declined correctly but as Great Lakes had given Miss T incorrect information when she called, it should pay her £100 compensation for the distress and disappointment.

Miss T disagreed and said had she been given correct information, she would have ensured her husband and son still travelled and would have found someone to replace her to avoid losing the costs of the holiday.

And so the case has 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 sorry to disappoint Miss T and Mr M, I don't think the claim was incorrectly declined. I'll explain why.

- The background to this matter is well known to both parties so I won't repeat everything here. And will instead focus on what I consider to be key to my conclusions.
- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly, and shouldn't unreasonably reject a claim. And an insurer should also provide appropriate support.

- The policy terms and conditions, which make up the contract of insurance between Miss T, Mr M and Great Lakes, provide cancellation cover for complications of pregnancy. The complications are specifically listed under the definitions section of the policy. And so under the terms of the policy there is no cover for Miss T's situation.
- Miss T says she was given incorrect advice by Great Lakes when she called to enquire about a possible cancellation claim. I have listened to the call Miss T made and I agree that she was given the impression by the adviser that her claim would be covered. Miss T told the adviser she couldn't move her holiday and wanted to check she was covered.
- I've gone on to consider what should have happened. When Miss T called the adviser, she should have been told that only specified complications of pregnancy are covered.
- In her response to the investigator's opinion, Miss T has said that if she had been given correct information when she called, she would have had other options and her husband and son would have still travelled and they would have changed the passenger name for someone else to travel with them.
- I have carefully considered what Miss T has said and I am not persuaded that her husband would have travelled without her if she was having to attend regular hospital appointments due to her leaking waters. Miss T hasn't made this argument to the insurer throughout her complaint. I'm also not persuaded she could have found someone else to travel at such short notice.
- I do think the incorrect advice caused Miss T and Mr M distress and disappointment when Great Lakes wrote to decline the claim. For this, I think £100 compensation is appropriate to recognise the disappointment but as the claim decision was correct, I don't think Great Lakes needs to do anything more. I'm not persuaded that Miss T would have done anything different about the holiday had Great Lakes given her the correct advice about a possible claim when she called.

My final decision

For the reasons set out above, I partially uphold this complaint and direct Great Lakes Insurance UK Limited to pay Miss T and Mr M a total of £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss T to accept or reject my decision before 29 March 2024.

Shamaila Hussain
Ombudsman