

The complaint

Mr and Mrs H are unhappy with the additional premium quoted when Mr H declared a change in health after their annual, multi-trip, travel insurance policy - underwritten by Great Lakes Insurance SE - ('the policy') had started. They've also raised concerns about the contents of the Insurance Product Information Document (IPID).

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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.

Great Lakes has an obligation to treat customers fairly.

It isn't disputed that Mr H contacted Great Lakes in July 2023 to update his medical declaration and to inform it of a change in health since taking out the policy. This included having had a heart attack.

Mr and Mrs H are unhappy with the additional premium Mr H was quoted if he wanted the policy to provide cover for the additional medical conditions disclosed after the policy was taken out.

Great Lakes has provided information showing that having declared a change in health and the way in which questions were answered, the medical risk rating score increased significantly. And as a result, a higher premium was quoted for the mid-term adjustment. From what I've seen I accept that the premium increased significantly due to the declared change of health.

Mr and Mrs H were given options including paying the additional premium or cancelling the policy and receiving a proportionate refund of the premium initially paid for the policy (backdated to the date of Mr H's heart attack). They decided to choose the second option, so cancelled the policy and received a proportionate premium refund.

Whilst they were then put to the trouble of then having to find another travel insurance policy, I don't think it would be fair to hold Great Lakes responsible for this as I'm satisfied the options presented by Great Lakes when Mr H declared a change in health were fair and reasonable and in line with the 'change in health section' of the policy terms – which forms part of the contract of insurance.

Mr and Mrs H are unhappy that the IPID doesn't set out that they were under an obligation to declare a change in health during the lifetime of the policy. Nor does it say that if a change in health is declared, Great Lakes might charge an additional premium.

The purpose of the IPID is to provide a summary of the main cover provided by the policy, including exclusions. The Insurance Conduct of Business Sourcebook (ICOBS) sets out at section 6, annex 3, the information which needs to be contained in the IPID. Relevant to this complaint, that includes the main exclusions and the obligations during the term of the insurance contract.

In this case, I don't think I need to make a finding about whether more information about declaring a change in health during the lifetime of the policy (and the possible consequences of this) should've been set out in the IPID.

That's because even if it had been, I don't think Mr and Mrs H have been put to a disadvantage because, regardless of whether more information should've been set out in the IPID, I'm satisfied that they were aware of the need to declare a change in health as Mr H contacted Great Lakes to do so in line with the policy's terms and conditions.

So, I don't think more information about this in the IPID would've made a difference in this particular case.

If Mr and Mrs H are unhappy about the sale of the policy – including whether they were provided with clear, fair and not misleading information about the key features of the policy - they're free to raise this concern with the company who sold them the policy.

My final decision

I don't uphold this complaint.

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 July 2024.

David Curtis-Johnson
Ombudsman