

## The complaint

Mr P complains that Great Lakes Insurance UK Limited declined to cover his claim for broken frames under his spectacles policy, and that he had been mis-sold the policy

## What happened

In 2023 Mr P went into an opticians shop and purchased two policies for his two pairs of glasses. The policy for his varifocals cost £29 and the policy for his single vision lenses cost £9. He hadn't bought his glasses from that optician.

In November 2023 Mr P broke his varifocal frames and he contacted the optician to raise a claim. They told him that only his lenses were covered, not his frames.

Mr P raised a complaint about the sale of his policy as he said he didn't realise that frames weren't covered and he had never received any policy documents.

Great Lakes upheld the complaint and agreed for the optician to provide Mr P with frames up to the value of £300 and replace his varifocal lenses. They also agreed to waive the 25% excess.

Mr P was unhappy with this and brought his complaint to us.

One of our investigators looked into Mr P's complaint. He thought that Great Lakes could do more to put things right and recommended that in addition to providing replacement glasses, Great Lakes should refund the premiums, pay 8% interest on the premiums, and provide Mr P with £150 for the distress and inconvenience.

Both Mr P and Great Lakes disagreed with this and so the case came to me to review.

Mr P has advised that since receiving the investigators view, due to the length of time he has been without his glasses, he has had to purchase new ones.

I issued a provisional decision on the complaint. My provisional findings were as follows:

*I am upholding this complaint, but I am suggesting a different way of resolving the complaint and I will explain why below. This is in part because Mr P has now replaced his glasses, and so the resolution suggested by Great Lakes and the investigator is no longer appropriate.*

*Great Lakes have explained that the opticians have the authority to sell the insurance policy and deal with claim on their behalf, and so I'd expect the agent of the insurer to make the policyholder fully aware of the terms and conditions of the policy on purchase, drawing particular attention to any exclusions. I'd also expect them to provide a copy of the Insurance Product Information Document (IPID) or the terms and conditions of the policy.*

*It is accepted by Great Lakes that this didn't happen, no documents were provided, and that the service provided was below standard.*

*When things go wrong, we aim to put the customer back in the position they would have been in had the errors not been made, and so I've thought about whether Great Lakes offer is reasonable, and whether they need to do more to put this right.*

*Mr P says that he isn't happy with Great Lakes offer and doesn't want to go back to the same optician. Whilst I don't think this was an unreasonable offer, I can understand why Mr P didn't want to go back to the opticians given the poor service he experienced, not just in terms of the policy but in his interactions with staff. I don't think that the staff's responses to Mr P were fair given that the error was theirs. And so I do think that a cash settlement is an appropriate way forward given that the relationship appears to have broken down.*

*In any event, Mr P has now purchased replacement glasses because the passage of time since the claim has meant that there is ongoing inconvenience and he has been experiencing headaches from not having appropriate glasses. And so I am proposing that Great Lakes provide Mr P with a cash settlement reflecting the value of the frames and lenses he has purchased – which is £539.49.*

*I note that Great Lakes had, as a gesture of goodwill, agreed to waive the 25% excess that would have been payable if the policy had been valid, and I am recommending that this is still the case.*

*I also agree with the investigator that there is an element of distress and inconvenience here which arises from not being sent the policy documents, not being informed properly about the policy, being treated poorly by Great Lakes and their agents, and having to go without appropriate glasses for a period of time. I agree that £150 in addition to the waiving of the excess fairly reflects that.*

*In relation to the premiums, I don't think it is fair to ask Great Lakes to refund these. In cases where there is a mis sale, we would normally ask the business to refund the premiums plus interest in order to put the consumer back in the position they would have been in if the mis sale hadn't occurred.*

*If Mr P had known that his frames weren't covered, he would presumably have gone elsewhere to find a policy more suitable for his needs, and if he had done so, he would have had the cost of his replacement glasses reimbursed minus an excess.*

*As Great Lakes have offered replacement glasses, and I am directing them to reimburse Mr P for his replacements, he is in the position he would have been in if the policy had operated in the way he thought it did, and as Great Lakes are therefore paying the policy, I don't think it is necessary for Great Lakes to also refund the premium.*

### **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.

Both Mr P and Great Lakes have replied to my provisional decision. Mr P has asked that I also consider awarding the interest on his credit card since the purchase in August. I'm not going to do this because I consider that the waiving of the excess, and the awarded of distress and inconvenience take into account the inconvenience of having to buy the glasses.

Great Lakes have made further comments that the delay in getting new glasses was because Mr P rejected their offer of new glasses, there was no evidence that the previous frames were Gucci, he would likely not have been able to obtain insurance elsewhere, and

there is betterment in my outcome by asking them to pay for the new glasses, waive the excess and award D&I. I don't agree as by asking them to cover the cost of Mr P's glasses, which he is out of pocket for, I am only putting him back in the position he would have been in before he purchased the policy – which it is agreed was mis-sold - and the £150 for distress and inconvenience is to recognise the period for which he had no glasses whilst trying to sort this out – not betterment.

Great Lakes will note that I have agreed they can keep the premium in view of the fact they will be in effect paying on the policy, so I think that my outcome is fair, and I don't propose to change it. If Great Lakes have already reimbursed Mr P the premiums then they can deduct that again from the final settlement.

### **Putting things right**

- Reimburse Mr P £539.45 for the purchase of his new glasses (minus the premium if that has already been refunded to Mr P)
- Pay £150 for the distress and inconvenience caused

### **My final decision**

My final decision is that I am upholding Mr P's complaint and asking Great Lakes Insurance UK Limited to put things right as above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 October 2024.

Joanne Ward  
**Ombudsman**