

## The complaint

Mr and Mrs O complain about the renewal of their travel insurance policy with Great Lakes Insurance SE.

## What happened

In summary, Mr and Mrs O have an annual travel insurance policy underwritten by Great Lakes. The policy renews in April each year. In 2024, Great Lakes sent Mr and Mrs O renewal information and a premium quote of £402.31. The renewal notification said the renewal quote assumes there's no change in Mr and Mrs O's health in the last year.

Mr O contacted Great Lakes by phone in order to renew the policy and completed medical screening. I'll refer to the phone call in more detail below. Following the phone call, the renewal quote was £591.11. Mr O complained about the renewal quote. He said Great Lakes had incorrectly increased the renewal premium on the basis Mrs O had a new additional health condition but that wasn't the case. Mr O said what was previously described as '*Faints*' has now been given a new name of '*NEAD*' (non-epileptic attack disorder). Great Lakes recalculated the premium omitting '*Faints*' but including '*NEAD*'. The new premium was £524.30. Mr O wasn't happy about that. Mr and Mrs O renewed their policy on-line and paid a premium of £495.22.

Mr and Mrs O say there's been no change in their health. They say the increase in premium was as a result of Great Lakes changing the categorisation of one of Mrs O's conditions from '*Faints*' to '*NEAD*'. They don't think the premium increase is fair. Mr and Mrs O want Great Lakes to honour the original quote of £402.31.

In response to Mr and Mrs O's complaint, Great Lakes said it had given Mr O correct information about the renewal premium. It said when Mr O completed medical screening, some of the medical information changed. That affected the risk rating and premium. Great Lakes acknowledged it hadn't handled one of Mr O's phone calls in the most appropriate way in that it had implied Mr O had previously given incorrect information.

Mr and Mrs O didn't accept Great Lakes' explanation and didn't think it was fair it hadn't offered compensation. Mr O maintained he hadn't given incorrect information. Mr and Mrs O pursued their complaint.

One of our Investigators looked at what had happened. She thought Great Lakes had handled Mr and Mrs O's renewal fairly and reasonably. The Investigator said Great Lakes calculated the premium in response to the medical information Mr O gave during medical screening.

The Investigator said Mr O told Great Lakes he took blood thinners excluding aspirin or clopidogrel, and insulin for his diabetes and he told it Mrs O's condition, '*Faints*' had been diagnosed as '*NEAD*'.

The Investigator said the premium after the on-line application was significantly cheaper than the renewal quotes Mr O received over the phone because his answers to the on-line medical questions were different from the answers he gave over the phone. She said Great Lakes hadn't made a mistake or treated Mr and Mrs O differently than other customers in the same circumstances.

Mr and Mrs O didn't agree with the Investigator. Mr O maintained that the increase in premium was caused by Great Lakes calling one of Mrs O's conditions '*NEAD*' rather than '*Faints*'. Mr O said he doesn't know why he answered questions about his medication incorrectly. Mr and Mrs O asked that an Ombudsman consider their complaint, so it was 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.

I've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable.

It's not my role to tell an insurer how to categorise risk, what price it should charge for the risks its policies cover nor what factors it should take into account in assessing those risks. In general terms, it's for an insurer to decide what risks it wants to cover and what premium to charge to cover those risks. Our general approach is, providing they treat people fairly, insurers are entitled to decide what premium covers a risk.

Insurers consider many factors when setting premiums. When deciding how much to charge for their policies they will assess the likelihood of a policyholder making a claim and how much they might have to pay out for those claims. And each insurer will go about that in its own way.

Great Lakes wasn't obliged to renew Mr and Mrs O's policy for the premium of £402.31 quoted in the renewal documentation. That quote assumed there'd been no change in Mr and Mrs O's medical health in the previous year. When Mr O phoned Great Lakes and completed medical screening there were changes that affected the risk rating and premium.

I've listened to the recording of the medical screening phone call between Mr O and Great Lakes. Mr O told Great Lakes he took insulin for his diabetes. Mr O says that isn't in fact correct but I don't think Great Lakes acted unfairly or unreasonably in relying on what Mr O said when calculating the premium. Mr O also told Great Lakes Mrs O's condition previously described as '*Faints*' was now diagnosed as '*NEAD*'. I appreciate Mr O feels very strongly that nothing had changed in relation to Mrs O's health, but I don't think Great Lakes acted unfairly or unreasonably in taking the diagnosis into account when calculating the premium.

Great Lakes has provided this service with some information about how it rated the risks. I'm afraid I can't share the information with Mr and Mrs O. I appreciate that's frustrating, but this service doesn't generally think it's unreasonable for insurers not to share with policyholders sensitive commercial information showing how it calculates premiums. That's because the information could be used by competitors to gain a commercial advantage.

I'm satisfied the premium Great Lakes quoted after medical screening was calculated correctly based on the information Mr O gave. I've seen nothing to indicate Mr and Mrs O were treated less favourably than other policyholders in a similar position.

Great Lakes carried out re-screening and offered to do so again, but Mr O declined. When Mr O completed screening on-line he changed his answer in response to whether he takes insulin for his diabetes to 'No'. That may explain why the premium was lower.

Great Lakes acknowledged it hadn't handled one of Mr O's phone calls in the most appropriate way. I've listened to the phone calls. Mr O felt strongly about Great Lakes' position and the phone call became heated, but I think Great Lakes proceeded in a measured and appropriate way. Great Lakes has apologised for shortcomings in the phone call and I think that's sufficient in this case.

I'm sorry to disappoint Mr and Mrs O but for the reasons I've explained, I don't uphold their complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 6 November 2024.

Louise Povey  
**Ombudsman**