

## **The complaint**

Mr J1, Mr J2 and Mrs J are unhappy with the way in which Great Lakes Insurance SE handled a claim made under their travel insurance policy when Mr J2 became ill whilst abroad. That includes the medical assistance they received whilst abroad and aspects of their claim not being paid.

All reference to Great Lakes includes its medical assistance team.

## **What happened**

Mr J2 travelled abroad. Whilst away, he experienced acute psychosis. He was detained and ultimately admitted to hospital.

Mr J1 and Mrs J contacted Great Lakes for assistance and travelled to the country Mr J2 was visiting to be nearby.

Mr J1 and Mrs J wanted Great Lakes to arrange for Mr J2 to be repatriated (by air ambulance) to another European country so that he could continue treatment there. They say the assistance from Great Lakes was lacking and they ended up having to liaise with the treating doctor about medical reports and ultimately, made their own arrangements to repatriate Mr J2 after he'd been discharged from hospital. By the time they'd made their own repatriation plans Mr J1 and Mrs J say Mr J2 was well enough to travel by commercial flight with a medical escort and other conditions.

However, they also say this could've been avoided if Great Lakes had taken steps much earlier to repatriate Mr J2 by air ambulance in line with the advice of the treating doctor and other medical opinion they'd obtained.

After making a claim for their out-of-pocket expenses, they're also unhappy that Great Lakes has underpaid them around £26,000 even taking into account Great Lakes' conclusion that it's only liable for 89% of the costs claimed as Mr J2's medical history wasn't accurately disclosed when taking out the policy. If it had been, the policy premium would've been higher and as they only ended up paying 89% of the premium they should've been charged, Great Lakes proportionately settled the claim.

Mr J1, Mr J2 and Mrs J have said they don't dispute the reason why Great Lakes made a proportionate settlement but maintain Great Lakes hasn't covered costs which it should've. Our investigator looked into what happened and concluded that the claim had been paid in line with the policy terms and there were no further sums outstanding.

However, ultimately, she did think Great Lakes should've provided better assistance to Mr J1, Mr J2 and Mrs J. There were also times when she thought its communication should've been better and Great Lakes could've handled matters more sensitively. She recommended Great Lakes pay them £750 compensation.

Great Lakes accepted our investigator's view. Mr J1, Mr J2 and Mrs J felt the compensation was too low and didn't fairly reflect the impact Great Lakes' errors had on them.

So, this complaint was passed to me to consider everything afresh to decide. I issued my provisional decision in July 2024. I said:

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Great Lakes has an obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

#### Medical assistance and repatriation

The policy provides cover for emergency medical and repatriation expenses including:

- reasonable and necessary medical and hospital expenses.
- returning you to the United Kingdom provided this is medically safe and authorised by Us or the assistance company.
- the cost of a medical escort where this is deemed necessary by us or the assistance company, in the event of your emergency repatriation to the United Kingdom.

I know Mr J1 and Mrs J say that Mr J2 should've been repatriated much earlier than he was. I have a lot of empathy for the situation they all found themselves in and I've taken into account the conditions in which Mr J2 was being kept. I know they will be very disappointed but, overall, for the following reasons, I think Great Lakes acted fairly by wanting to verify cover and not arranging an air ambulance to repatriate Mr J2 when Mr J1 and Mrs J asked.

- The medical report dated 14 August 2022 reflects that the expectation was that Mr J2 would be hospitalised for two weeks. That was the first time Great Lakes was medically notified of Mr J2's diagnosis of acute psychosis.
- I can of course understand why Mr J1 and Mrs J were keen for Mr J2 to be repatriated and around 16 August 2022 they requested repatriation by air ambulance with Mr J2 being sedated. However, at that stage, there was no medical report in support of this. So, I think it was reasonable for Great Lakes to request the treating doctor provide their travel recommendations.
- I also think it's reasonable for Great Lakes to request Mr J2's medical history from his GP. It's common industry practice for insurers to do this before verifying a claim, to check whether medical conditions were reasonably disclosed when taking out travel insurance and that a medical professional hadn't advised against travelling before going abroad.
- Great Lakes was still waiting the medical history from Mr J2's GP at the time it received the fit to fly certificate from the treating doctor dated 18 August 2022 which reflects that Mr J2 was fit to fly but by air ambulance only. The earliest possible date Mr J2 could fly is reflected to be: "as soon as air ambulance is ready". It goes on to say to significantly assist Mr J2's recovery, he should be in an environment where he can communicate in his own language as soon as possible.

- At this stage, cover hadn't been verified. However, the information from the GP was received the following day and I'm satisfied that Great Lakes then promptly considered the medical history and concluded that a medical condition should've been declared for Mr J2 when taking out the policy. I'm satisfied that it promptly retrospectively screened this condition which resulted in Great Lakes concluding that the policy would've cost around £20 more had this condition been disclosed.
- I'm satisfied that it promptly notified Mr J1 and Mrs J on 20 August 2022 that it would proportionately settle 89% of the claim on the basis that they've only paid 89% of the premium they ought to have paid if the medical condition had been declared.
- Around that time Great Lakes also received advice from its medical team that based on the medical report and fit to fly certificate, Mr J1 was fit to fly but they didn't think an air ambulance was medically necessary. They advised Mr J2 fly back to the UK on a commercial flight in economy class with a medical escort and one parent accompanying him.
- Mr J1 was unhappy with this recommendation. By this stage he'd obtained a quote for an air ambulance in the region of £250,000. He also explained why a commercial flight would be unsuitable given Mr J2's state of health.
- I make no finding on whether Great Lakes' ought to have arranged to speak to the treating doctor before recommending its repatriation plan for Mr J2. That's because I'm satisfied that it acted promptly by asking Mr J1 to obtain a psychiatric report on 21 August 2022 setting out the reasons why a commercial flight would be unsuitable. Although the treating doctor had advised Mr J2 was only fit to fly by air ambulance, I'm satisfied that they didn't give detailed reasons in support of this over a commercial flight.
- I'm also satisfied that it was fair and reasonable for Great Lakes' medical team to speak with the treating doctor directly on 22 August 2022. And because of that call, Great Lakes agreed that it would internally discuss whether an air ambulance was now medically necessary.
- From what I've seen, I'm also satisfied around this time Great Lakes was proactively looking into the availability of air ambulances and the cost of this. I think that was reasonable.
- Whilst this was ongoing, Mr J2 was discharged from hospital a couple of days later. Given this development, I don't think it was unreasonable for Great Lakes to request an updated medical/discharge report. I'm satisfied that it proactively chased for this, and it was received around two days later, on 26 August 2022.
- It's not clear what steps were taken by Great Lakes between receiving that report and being notified by Mr J1 and Mrs J that they'd made their own arrangements to repatriate Mr J on a commercial flight with a medical escort.
- However, I've seen nothing to persuade me that had Great Lakes more promptly contacted Mr J1 and Mrs J to discuss repatriation plans, Mr J2 would've been repatriated any earlier than he was given that Mr J1 and Mrs J had arranged return

flights. Given the understandable urgency of Mr J1 and Mrs J wanting to repatriate Mr J2, I think it's fair to assume that they would've booked the first available and suitable return flights. And if Great Lakes had more promptly looked into return flights shortly after receiving the discharge report on 26 August 2022, I've seen nothing to persuade me that it could've arranged an earlier return flight at that stage. However, I do think Great Lakes should've reasonably done more to support Mr J1 and Mrs J throughout this time.

- I'm satisfied in the circumstances of this case that it would've been reasonable to have appointed a local agent to liaise with the treating facility, rather than ask Mr J1 and Mrs J to obtain the various medical reports from the hospital. This was a worrying and difficult time for them. Not only did they have the worry about Mr J2 and the conditions he was being kept in, but they were in a country they didn't know and didn't speak the local language. This would've eased some of the pressure and stress for Mr J1 and Mrs J.
- I also think there were times when Great Lakes ought to have been more proactive in their communications with Mr J1 and Mrs J, better informing them of what was going on and the next steps. I think this would've been frustrating and upsetting for them. And because of this Mr J1 and Mrs J were left to make their own arrangements for Mr J2 to be repatriated.
- I don't think Great Lakes acted reasonably when initially referring to an exclusion in the policy saying that the following wasn't covered (at page 55 of the policy terms): "any claim relating to psychological injury or mental illness unless the condition follows a specific or sudden accident that has caused physical bodily injury to an insured person". That exclusion is contained in the legal costs and expenses section of the policy which is underwritten by a different insurer. I can see why Mr J1 and Mrs J felt this was insensitive. And I think this error was unnecessarily compounded when, on 17 August 2022, Mr J1 was told that the policy doesn't cover Mr J2's type of medical condition. And as such, he, Mrs J and Mr J2 wouldn't be provided with financial support. I think this would've been unnecessarily upsetting and confusing for Mr J1 and Mrs J. And I can see why, in the circumstances, they felt Great Lakes was trying to look for ways to avoid providing cover at a time when they needed support and were in a difficult and worrying situation.

I'm satisfied that total compensation of £1,500 fairly compensates them for the distress and inconvenience they experienced.

I've taken into account what Mr J1 and Mrs J say about both being prescribed with anti-depressant medication since the events set out above happened. However, as I've explained, I don't think Great Lakes acted unreasonably by not repatriating Mr J1 earlier than he ended up travelling back from the country he'd been visiting.

I don't think it would be fair and reasonable for me to hold Great Lakes responsible for Mr J1 and Mrs J being prescribed anti-depressant medication. They found themselves in an extremely worrying and stressful situation. But on the balance of probabilities if Great Lakes had provided better support and had better communicated with them, I've seen nothing which shows they wouldn't have been prescribed medication in any event. However, I am persuaded Great Lakes' errors in this case unnecessarily added to their distress and worry. And I've taken this into account when considering the fair amount of compensation in this case.

## The claim for out-of-pocket expenses

Great Lakes ended up paying the entire repatriation costs for Mr J2, rather than limiting the repatriation costs to 89% of the costs they'd been quoted to repatriate Mr J2 which it initially decided to do.

I think that was reasonable in the circumstances of this case to use the actual costs paid by Mr J1 and Mrs J. Although the costs weren't pre-authorised by Great Lakes, given the communication failing by Great Lakes and that Mr J2 had been discharged from the hospital, I think it's reasonable for Mr J1 and Mrs J2 to have gone ahead with making their own arrangements with medical support.

I think Great Lakes could've still fairly chosen to pay 89% of the repatriation costs. But as it's paid the entire repatriation costs as claimed, I think that's reasonable.

I think Great Lakes has also acted fairly and reasonably by:

- paying £1,780 towards the costs of one of Mr J1 and Mrs J travelling to be with Mr J2. Section 1 of the policy terms say Great Lakes will cover "the reasonable additional travel and accommodation expenses (room only) for a relative...to travel from the United Kingdom to stay with you and return to the United Kingdom with you". And that's only up to the maximum financial limit in the policy which in this case is £2,000 per person. So, although Mr J1 and Mrs J's flight and accommodation costs were much more than this, I think Great Lakes has acted fairly by limiting the amount to £2,000 and then paying 89% of this because they only paid 89% of the premium they should've paid if Mr J2's medical conditions had been disclosed when taking out the policy.
- not covering living expenses whilst Mr J1 and Mrs J were abroad, and other expenses such as taxis and trains. Those costs aren't covered under the policy terms.
- not covering legal fees incurred. Those costs aren't covered unless a claim has been accepted and conditions met under the legal costs and expenses section of the policy, which is underwritten by a different insurer.

However, as Mr J2 was confined in hospital for a number of days as an in-patient, I'm satisfied that Great Lakes should pay 89% of the hospital confinement benefit set out in section 1 of the policy terms (£40 per 24 hours) up to the financial limits of this benefit at the table of benefits, starting on page 21 (£1,000).

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I invited both parties to provide any information in response to my provisional decision.

Great Lakes accepted my provisional decision.

Mr J1, Mr J2 and Mrs J didn't. In summary they said:

- Great Lakes was informed of Mr J2's condition on 7 August 2022. The medical report confirming this was sent on 14 August 2022.
- Cover under the policy was never verified whilst Mr J1, Mr J2 and Mrs J were abroad.

- It was unreasonable for Great Lakes to suggest that Mr J2 could fly back on a commercial flight in economy class with a medical escort; he was incoherent, confused and occasionally violent.
- Great Lakes didn't provide any support. Its actions and inactions considerably increased and prolonged their distress.
- £1,500 compensation is not in any way adequate to reflect the impact on Mr J1, Mr J2 and Mrs J. Great Lakes saved over £200,000 by not repatriating Mr J2 by air ambulance.

### **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.

That includes Mr J1, Mr J2 and Mrs J's comments on my provisional decision which I've only summarised above but have considered in detail.

Having done so, I'm satisfied that £1,500 compensation is fair and reasonable in the circumstances of this case. The points raised by Mr J1, Mr J2 and Mrs J are ones that I've considered previously when provisionally deciding this case. However, I did want to add the following:

- Although Great Lakes was notified of Mr J2's condition on 7 August 2022, I don't think it was unreasonable for it to want an official, medical diagnosis, by way of a medical report.
- Mr J1, Mr J2 and Mrs J say that Great Lakes has ended up saving a significant amount of money by arranging repatriation by air ambulance. However, I've focused on the impact Great Lakes' errors had on Mr J1, Mr J2 and Mrs J. That's because when something goes wrong, I have the power to direct Great Lakes to put things right and that includes compensation for distress and inconvenience. Our awards are not punitive and when thinking about fair compensation, I don't think the amount Great Lakes may have saved is a relevant consideration.

So, for these reasons and for reasons set out in my provisional decision (and extract of which is set out above and forms part of this final decision), I partially uphold this complaint.

### **Putting things right**

I direct Great Lakes to pay:

- A. £1,500 total compensation to Mr J1, Mr J2 and Mrs J.
- B. Mr J2 89% of the policy hospital confinement benefit for each complete period of 24 hours Mr J2 was an inpatient in hospital up to the financial limit.
- C. simple interest at a rate of 8% per year on the sum set out in B above from one month after the claim form was submitted to Great Lakes to the date of settlement. If Great Lakes considers it's required by HM Revenue & Customs to take off income

tax from any interest paid on this amount, it should tell Mr J2 how much it's taken off. It should also give him a certificate showing this if he asks for one. That way Mr J2 can reclaim the tax from HM Revenue & Customs, if appropriate.

**My final decision**

I partially uphold this complaint and direct Great Lakes Insurance SE to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J1, Mr J2 and Mrs J to accept or reject my decision before 2 September 2024.

David Curtis-Johnson  
**Ombudsman**