

The complaint

Mr and Mrs G have complained that Great Lakes Insurance SE declined a claim they made on a travel insurance policy.

What happened

Mr and Mrs G and their two children were taking a trip abroad in December 2022. The departure of their UK flight was delayed due to a damaged pushback tractor. An alternative tractor had to be found and then checks had to be carried out prior to take-off. This resulted in them missing their connecting flight. As a consequence, they had to take a hotel for the night and book new flights to their final destination for the following morning. They therefore made a claim on the policy for the additional costs incurred.

Great Lakes declined the claim on the basis that the circumstances are not covered under the policy terms.

Our investigator thought that Great Lakes had acted reasonably in declining the claim, in line with the policy terms and conditions. Mr and Mrs G disagree and so the complaint has been passed to me for a 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.

I've carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Looking at the policy terms, under the 'Travel Delay and Abandonment' section it states that cover is available:

'In the event of your unavoidable delay in departure of at least 12 hours from your original scheduled departure time from your first departure point on your outward journey or your last departure point on your return journey....'

As Mr and Mrs G's flight from the UK was delayed by less than 12 hours, there is no cover under this part of the policy.

Under the 'Missed departure' section of the policy, it states:

'This section of the Policy sets out the cover We provide to each Insured Person in total per Insured Journey, up to the sum insured shown in the "Table of Benefits", in the event that You arrive too late (as shown on Your ticket) to board Your pre-booked scheduled Public Transport at Your last departure point on Your outward journey or Your last departure point on Your return journey as a result of:

1. Scheduled Public Transport services failing to get You to Your last departure point due to Strike or Industrial Action, adverse weather conditions (but not those defined as a Catastrophe), mechanical failure or Your direct involvement in an accident; or....'

The definition of 'Public Transport' is:

'any publicly licensed train, tram, bus, coach, ferry service or airline flight operated according to a published timetable'.

Based on the above wording, had there been a mechanical failure of the actual aircraft, it is likely that the claim would be covered. However, it was the pushback tractor that suffered a mechanical failure, which is separate from the aircraft itself.

I appreciate Mr and Mrs G's argument that, once connected, the plane and tractor become one machine and that an unnecessary distinction is being drawn to avoid the claim. However, I'm satisfied that the policy is worded in such a way that the mechanical failure has to relate to the aircraft itself, as the pushback tractor doesn't meet the definition of 'Public transport'.

Of course, the circumstances of the initial flight being delayed were completely outside of their control and there was nothing they could do about missing the connecting flight. However, the question is whether those circumstances are covered under the policy terms – and unfortunately, I don't think they are.

Overall, whilst I know it will be disappointing for Mr and Mrs G, I'm satisfied that it was reasonable for Great Lakes to decline the claim, in line with the policy terms and conditions.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 3 October 2024.

Carole Clark
Ombudsman