

## **The complaint**

Mr W, Miss B and Miss W are unhappy with the way in which Great Lakes Insurance UK Limited handled a claim made on their travel insurance policy for a cancelled holiday.

All reference to Great Lakes includes its agents.

## **What happened**

By way of its final response (dated December 2023) addressing Mr W, Miss B and Miss W's complaint about claim delays, Great Lakes accepted that there was an unreasonable delay in assessing the claim made under the policy. It apologised and said that internal feedback would be given.

After Mr W said that some compensation was warranted, Great Lakes offered Mr W, Miss B and Miss W £100.

The claim was settled in December 2023. Great Lakes paid the amount claimed less the applicable policy excess and air passenger duty for each person (referred to by Great Lakes as 'APD'). Mr W asked what the deduction for APD related to.

He was subsequently told by Great Lakes:

Air Passenger Duty (APD) is a tax charged by airlines on all economy flights that leave the UK. I hadn't included the cost of APD within your settlement because if you do not fly, the airline refund this. If the airline haven't refunded this to you yet then you will need to contact them.

The APD charged was £13 x 3 insured persons (£39) which you would need to claim back from [the airline]...

Mr W contacted the airline and didn't receive a reply at first. He notified Great Lakes and was again directed back to the airline and told: "if they are unable to refund the amount to you, please forward [to us] their correspondence and reasons for declining".

Mr W subsequently received a reply from the airline that the ticket price didn't include government taxes as it had absorbed the costs of these taxes in this instance. Mr W forwarded this correspondence to Great Lakes. Great Lakes then arranged a further payment of £39.

Mr W, Miss B and Miss W are unhappy because they say:

- Great Lakes unfairly deducted APD from the claim;
- Mr W had to ask what the deduction was for;
- he was told that the amount was reclaimable from the airline when it wasn't;
- Mr W tried twice to reclaim the sum from the airline and had to spend time searching

their website to do so;

- having received a refusal from the airline, Mr W spent time trying to understand the situation; and
- Mr G had to further correspond with Great Lakes for the sum of £39 to be paid.

Our investigator looked into what happened and didn't think Great Lakes had to do anything more to put things right. She concluded that the compensation payment of £100 was fair and reasonable.

Mr W, Miss B and Miss W disagreed so their complaint has been passed to me to consider everything afresh 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.

Great Lakes has a regulatory obligation to handle insurance claims fairly and promptly. Mr W, Miss B and Miss W have also referred to the Consumer Duty which I've taken into account as it's a relevant consideration.

At the outset, I acknowledge I've only summarised the complaint brought by Mr W, Miss B and Miss W – and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

The rules that govern the Financial Ombudsman Service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every point to be able to fulfil my statutory remit.

And when deciding whether Great Lakes has acted fairly and reasonably – and (if not) the impact this has had on Mr W, Miss B and Miss W – I've considered the individual circumstances of this case.

I know Mr W, Miss B and Miss W will be very disappointed, and I understand their strength of feeling about the issues they're unhappy with. However, for reasons set out below, I'm not going to direct Great Lakes to do anything more to put things right in this case.

Even if I agreed that Great Lakes reasonably ought to have done more in the circumstances of this case before deducting £39 from the settlement amount to represent the APD it initially said the airline was responsible for (and in line with clause 12 of the 'what is not covered' part of the cancellation section of the policy terms) – which I make no finding on – Great Lakes has paid £100 compensation.

I appreciate that the offer of £100 compensation was made before the issue around the deduction for APD was eventually resolved – and was made in response to the delay in assessing the cancellation claim. This was after Mr W contacted Great Lakes to say that compensation should be paid in light of the findings in Great Lakes' final response.

It did take around seven weeks from the date the claim was submitted for the claim to be assessed, accepted and settled by Great Lakes. I accept this would've been disappointing because Great Lakes didn't respond within the stipulated period when the claim was first

submitted. Mr W was put to the trouble of chasing for an update before, I'm satisfied, the claim was promptly progressed and settled thereafter.

However, I'm satisfied that the initial apology fairly reflected the impact of those delays had on Mr W, Miss B and Miss W in the circumstances of this case.

Because of this, even if I thought Great Lakes reasonably ought to have done better when deducting the APD from the settlement amount, I don't think it would be fair and reasonable for me to direct Great Lakes to pay further compensation for distress and inconvenience in respect of any errors dealing with the APD issue.

Even if Great Lakes should've done more before deducting the £39 from the settlement to represent the APD it initially said the airline was responsible for, I'm satisfied that £100 compensation would fairly reflect the impact of the overall (and cumulative) distress and inconvenience this had on Miss B, Miss W and particularly Mr W. Mr W had initially chased Great Lakes to find out what was happening with the claim, and it was he who was in regular contact with Great Lakes and the airline to resolve the APD issue.

### **My final decision**

Great Lakes Insurance UK Limited doesn't need to do anything more to put things right. So, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W, Miss B and Miss W to accept or reject my decision before 23 December 2024.

David Curtis-Johnson  
**Ombudsman**