

The complaint

Ms D complains that Great Lakes Insurance SE declined both her claim against her travel insurance policy and her request for a refund of premium.

What happened

In summary, in August 2023, Ms D bought a single trip travel insurance policy underwritten by Great Lakes for travel between 28 September 2023 and 11 December 2023. Ms D travelled to her destination on 28 September 2023 and intended to do volunteer work for a month of her stay.

On 6 October 2023, Ms D left the home of the acquaintance she was staying with for what she thought would be a weekend. She left her luggage behind and intended to return on 8 October 2023. There were hostilities and the government of the country Ms D was in declared a state of emergency. Ms D wasn't able to return to the home where she'd left her luggage.

On 9 October 2023, the Foreign, Commonwealth & Development Office (FCDO) advised against all but essential travel to the country Ms D was in and encouraged British citizens in that country to register their presence. The UK government facilitated flights back to the UK. Ms D crossed a border into a neighbouring country and on 31 October 2023, she flew back to the UK. She wasn't able to retrieve her luggage before doing so.

In November 2023, Ms D contacted by e-mail a person in charge of the voluntary work and asked him to send her luggage to her. He said Ms D's bag was at the house where she'd left it and as it was too expensive to post, she could collect it when she returned.

Ms D made a claim against her policy in relation to her luggage. Great Lakes declined the claim. It referred Ms D to the terms of the policy, the relevant parts of which I set out below. Essentially, it said the circumstances which led to the claim weren't covered by the policy. Ms D didn't think that was fair and queried why Great Lakes hadn't provided a refund of premium for the period remaining after she'd returned to the UK.

Ms D doesn't think Great Lakes decision to decline her claim is fair. She says she did all she could to get her luggage back. Ms D also complains that Great Lakes didn't refund the premium for the period after she'd returned to the UK.

One of our Investigators looked at what had happened. The Investigator said Great Lakes had acted in accordance with the policy. She said Ms D's luggage wasn't lost, stolen, destroyed or damaged and is still recoverable. The investigator referred to an exclusion in the policy which says luggage must not be left unsecured, unattended or beyond your reach at any time in a place to which the public have access.

The Investigator said the policy says there will be no refunds if the policyholder has travelled or made a claim. So, Ms D wasn't eligible for a refund of premium.

Ms D didn't agree with the Investigator. She said it was nonsense to suggest she couldn't leave her luggage unattended. Ms D says she couldn't take her luggage with her when she returned to the UK. She doesn't understand why Great Lakes won't refund the remaining premium. Ms D says she had no choice but to leave, as directed by the UK government. She feels robbed by Great Lakes.

Ms D asked that an Ombudsman consider her 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. The relevant rules and industry guidance say Great Lakes should deal with claims promptly and fairly.

Ms D's claim for lost luggage

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 onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy.

The relevant part to the policy says as follows:

'Section 6a Personal Baggage

What is covered under Section 6a:

We will pay up to the amount shown in the table of benefits, per insured person, for the level of cover shown on **your validation certificate** if **your personal baggage** is damaged, stolen, destroyed, or lost (and not recovered) during the course of a trip.

[...]

What is not covered under Sections 6a, 6b and 6c:

[...]

6. any loss, **theft** of, or damage to **personal baggage** left **unattended** at your accommodation other than in a hotel room, or private accommodation for your sole private use, of the sole private use of your travelling party;

[...]

The policy defines '**Unattended**' as '**When *you* cannot see and/or are not close enough to your property [...] to prevent unauthorised interference with, or **theft** of, **your** property [...]**'

The central question here is whether Great Lakes treated Ms D unfairly or unreasonably in declining her claim or her request for a refund of part of the premium.

Subject to the policy terms, there's cover for personal baggage that's damaged, stolen, destroyed or lost. That isn't what happened here. In the unusual circumstances in which Ms D found herself, her luggage was left in the home of an acquaintance, and she wasn't able to retrieve it. That's not something covered by the policy. Ms D's enquiries in November 2023 indicated her luggage remained where she left it and could be collected.

The FCDO currently advises against all travel or all but essential travel to the country where Ms D left her luggage. So, its arguable Ms D's luggage is effectively lost, as she can't collect it. But even if I proceeded on the basis Ms D's luggage was lost, that wouldn't alter the outcome of her claim and I'll explain why.

There's no cover for lost luggage that was left unattended at Ms D's accommodation other than in a hotel room, or private accommodation for her sole private use or the sole private use of her travelling party. Ms D left her luggage in the home of an acquaintance, not in a hotel room or private accommodation for her sole use. I don't think Great Lakes treated Ms D unfairly or unreasonably in relying on this exclusion and declining her claim for her luggage.

The premium

The policy says the policyholder may cancel the policy but no premium will be refunded if the cancellation is outside the 14 day cooling off period. It also says no refunds will apply if the policyholder has travelled or has made or intends to make a claim. These terms are commonly found in policies of this type. I don't think Great Lakes acted unfairly or unreasonably in relying on the policy terms and retaining the premium in this case.

I'm sorry to disappoint Ms D but, for the reasons I've explained, I don't think Great Lakes treated her unfairly or unreasonably in declining her claim or in retaining the premium.

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 Ms D to accept or reject my decision before 28 November 2024.

Louise Povey
Ombudsman