

## **The complaint**

Mr and Mrs S are unhappy that Great Lakes Insurance UK Limited declined a claim they made on their travel insurance policy.

## **What happened**

Mr and Mrs S were on a multi destination holiday. In October 2023 they were due to travel across the border to Israel by road. That same day a conflict broke out in the region.

Mr and Mrs S contacted their insurer for help and guidance. Their flight home was cancelled by their airline and so Mr and Mrs S arranged to fly back from an alternative destination earlier than they'd planned as they couldn't continue their trip. They claimed for their unused accommodation costs and the difference in their flight costs.

Great Lakes declined the claim as they said it wasn't covered by the policy terms. Mr and Mrs S complained to Great Lakes but they maintained their decision was fair. Unhappy, Mr and Mrs S complained to the Financial Ombudsman Service.

Our investigator looked into what happened and partly upheld the complaint. He didn't think Great Lakes had considered the claim under the correct section of the policy terms. However, having considered the policy terms and conditions, he did think that it was fair for the claim to be declined. The investigator recommended Great Lakes pay Mr and Mrs S £100 compensation for failing to clearly explain the reasons the claim was declined.

Mr and Mrs S asked an ombudsman to review their complaint. In summary, they highlighted that the terms say that there is cover in the event of war for the first 72 hours. And they said they'd taken the first reasonable opportunity to leave the area as per the policy terms. So, the complaint was passed to me to make a decision.

At my request the investigator contacted both parties with my initial thoughts in relation to the outcome of the complaint. In particular, I explained that Mr and Mrs S would have been able to purchase optional cover, for an additional premium, which would have offered cover for cutting a trip short due to a change in Foreign and Commonwealth Development Office (FCDO) advice.

Mr S responded to say that he booked return flights on the same day the conflict in the region started, which was prior to FDCO advice changing. He said he'd queried whether the war and civil unrest section applied to sections one and two of the policy. He thought he was covered and he also reiterated that the service he received had been poor.

## **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.

The relevant rules and industry guidelines say that Great Lakes has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

### The policy terms and conditions

There is no cover under the 'Cutting Short Your Trip & Trip Interruption' section of cover for cutting short a trip due to war or civil unrest.

There are general exclusions in the policy which says no section of the policy will cover:

18. (b) War and civil unrest including any action taken in controlling, preventing, suppressing or in any way relating to war and civil unrest, unless you are in an area subject to war and civil unrest at the outbreak of hostilities, in which case you will be covered for a maximum period of 72 hours from the outbreak of hostilities provided that you take the first reasonable opportunity to leave the area. If you fail to take such an opportunity all cover under this policy will end.
25. Your travel to a country or specific area or event to which the FCDO or World Health Organisation, or similar governing body have advised against all, or all but essential travel.

### Did Great Lakes unreasonably decline the claim?

Cutting short a trip due to war or civil unrest is not a specific insured event under the policy terms and conditions. So, on a strict application of the policy terms and conditions there is no cover for this scenario under the policy terms and conditions.

I've also considered what is fair and reasonable in the circumstances of this case. On 9 October 2023 the Foreign and Commonwealth Development Office (FCDO) advised against all but essential travel to Israel. Israel also declared a state of emergency in response to the conflict. So, I've considered whether Mr and Mrs S have been treated fairly bearing in mind this term in the policy.

In the specific circumstances of this case, I'm not persuaded Mr and Mrs S have been treated unfairly. There was the option to purchase an Optional Travel Disruption Extension. This would have covered Mr and Mrs S if their trip was cut short due to the FCDO advising against all or all but essential travel. It also offered enhanced cover in the event of flight delay or cancellation costs. Unfortunately, Mr and Mrs S hadn't selected this level of cover, which was available for an additional premium. Therefore, as they had the option to purchase cover to protect them against changes in FCDO advice and other travel disruption, I don't think it's fair and reasonable to direct Great Lakes to provide cover when this additional premium wasn't paid.

Mr S says that the FCDO didn't advise against travel until a few days after the conflict started and so the additional cover option would not have applied. However, in the specific circumstances of this case I still think it's most likely Mr and Mrs S could have benefitted from the additional cover option had it been purchased. Furthermore, the additional cover option provides cover for extended travel delay such as unused and additional accommodation expenses following the cancellation of scheduled public transport. Therefore, I still think the additional cover option would have most likely offered Mr and Mrs S some beneficial cover in the circumstances.

Mr and Mrs S have queried why the policy refers to the 72 hours time window in the general exclusion if there's no cover. However, the policy covers a wide range of scenarios, including illness and injury. So, as I previously explained I think there are situations in which the policy could offer cover within the 72 hour timeframe, including under section two of the policy. Therefore, that argument hasn't changed my thoughts about the overall outcome of this

complaint.

I do think Great Lakes could have more clearly explained the cover available to Mr and Mrs S when they contacted Great Lakes for help and when they declined the claim. I think this has been frustrating for Mr and Mrs S and caused them avoidable distress and inconvenience. I think £100 compensation fairly reflects the impact of that distress and inconvenience.

Mr S mentioned that he raised a complaint with the insurance company 10 months ago but hasn't received anything other than an automated response. He said the insurance company says they will respond to complaint within 8 weeks. Mr S was sent a final response to his complaint in March 2024 by a third party acting on his insurer's behalf. That same third party also dealt with other correspondence in relation to the claim and complaint. So this point hasn't changed my thoughts about the overall outcome of the complaint.

### **Putting things right**

I'm partly upholding this complaint and direct Great Lakes to pay £100 compensation to Mr and Mrs S for the poor customer service they received.

### **My final decision**

I'm partly upholding Mr and Mrs S's complaint and direct Great Lakes Insurance UK Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 18 December 2024.

Anna Wilshaw  
**Ombudsman**