

The complaint

Mr S is unhappy that Great Lakes Insurance UK Limited hasn't settled his travel insurance claim in full.

What happened

Mr S went on a golfing holiday. Unfortunately, whilst abroad, he tested positive for Covid-19. In line with the relevant government's guidance, he self-isolated. As a result, he incurred additional costs and was unable to take part in the games of golf.

Mr S claimed for his additional expenses and expenses associated with his lost holiday. Great Lakes didn't settle the claim in full. Mr S complained to Great Lakes but they didn't agree to settle all the expenses he was claiming for. Mr S complained to the Financial Ombudsman Service.

Our investigator looked into what happened and initially upheld Mr S's complaint on the basis that Mr S's trip had been effectively curtailed. Great Lakes clarified that they'd assessed the claim under a different section of cover. The investigator revised her opinion of the complaint. She recommended that Great Lakes pay Mr S confinement benefit but she didn't think they needed to pay for Mr S being unable to play golf.

Mr S didn't agree and asked an ombudsman to review his complaint. He set out in detail why he thought his golfing activities should be covered under the policy on the basis that they were excursions. He said the investigator's conclusions were her personal opinion and highlighted sections of the policy terms which he felt supported his position.

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

The starting point is the policy terms. Great Lakes assessed the complaint under the section of the policy which offers cover for Covid-19. It says:

“B. Curtailment.

We provide to each Insured Person in total per Insured Journey, up to the sum insured shown in the “Table of Benefits”, following necessary and unavoidable Curtailment of an Insured Journey as a result of:

1. Death of Your Relative or a member of Your household living in the United Kingdom contracting COVID-19, as certified by a Medical Practitioner following a medically approved test showing a positive result for COVID-19.

2. The hospitalisation as a result of COVID-19 for treatment with mechanical ventilation, of Your Relative or a member of Your household living in the United Kingdom.

In addition, where You are unable to continue with a pre-booked excursion following Your self- isolation as ordered by a relevant Government authority due to contracting COVID-19, as certified by a Medical Practitioner following a medically approved test showing a positive result for COVID-19.

Cover is provided for:

1. Your reasonable additional travel and accommodation expenses which You incur in the Curtailment of Your Insured Journey; and:
2. A pro-rata amount corresponding to the cost of the unused proportion of:
 - a. Your non-refundable pre-booked travel and accommodation expenses which You have paid or are contracted to pay..."

There is also cover available for emergency medical and repatriation expenses which includes:

4. Confinement benefit: a benefit payment of £30 for each complete 24 hour period up to £300 where You are ordered into self isolation in Your Holiday accommodation by a relevant Government authority, as a result of You contracting Covid-19.

Have Great Lakes unreasonably declined to pay some of Mr S's expenses?

I'm partly upholding Mr S's complaint. I think Great Lakes need to pay Mr S the confinement benefit but I don't think they need to pay his other expenses, including his lost holiday days.

I say that because:

- Travel insurance doesn't cover every eventuality. It covers the specified risks set out in the policy.
- The Covid-19 curtailment section of cover applies when a holiday is curtailed (cut short) due to one of the two specified events set out in the policy. Mr S's holiday was not, strictly speaking, cut short as he remained abroad and self-isolated. And neither of the specified events set out in the policy occurred. So, on a strict application of the policy terms and conditions Mr S's claim is not covered.
- I've considered what Mr S has said about the wording of the policy. In summary he says the use of the wording 'in addition' implies there is also cover where a policyholder is unable to continue with a pre-booked excursion following self-isolation. Mr S has also highlighted the terms related to additional travel expenses and a pro-rata settlement for unused accommodation. I don't agree with that interpretation of the policy terms in the circumstances of this case. I think that the policy makes it adequately clear that an insured event needs to take place before any such claim could be made. And, for the reasons I've explained already I'm not persuaded there was an insured event under the Covid-19 curtailment section of the policy.
- Even if I accepted Mr S's arguments about the above points, I haven't found his arguments that the golfing element of the holiday should be covered as an 'excursion' persuasive. Mr S has said the Cambridge dictionary definition of

excursion is a 'short journey usually made for pleasure'. He argues that each daily activity was a short journey to a specific location for pleasure and as part of a group. I've not found that argument to be persuasive. The holiday was booked as a package, which included rounds of golf at different courses. Therefore, I don't think it was unreasonable for Great Lakes to conclude these were not excursions. Rather, they were part and parcel of the core trip. Great Lakes agreed to cover some of the costs outside the policy terms. That's a commercial decision they are entitled to make. However, it doesn't mean that Great Lakes needs to settle all the golf related costs.

- Section C of the Covid-19 cover sets out what medical and repatriation expenses are included. Great Lakes has settled the medical expenses, but I think Great Lakes should pay the confinement benefit to Mr S as I think that is covered under this part of the policy. But Mr S didn't need additional accommodation to extend his stay or for repatriation to the UK. So, I don't think the other aspects of cover apply here.
- I've thought about whether it would be fair and reasonable for Great Lakes to step outside the policy terms and conditions and pay the claim. I'm not persuaded that it would be in the circumstances of this case for the reasons I'll go on to explain.
- The Covid-19 cover is an extension of the basic level of cover. But there's no mention of loss of holiday days under this specific section. I think the terms make it sufficiently clear what cover is available in the event of contracting Covid-19 and the limits of that cover.
- I also note that there was an optional golf upgrade available on the policy for an additional premium. This would have provided some additional or enhanced cover if Mr S was too unwell to play golf. Mr S didn't add this additional cover option onto his policy. So, this further persuades me it wouldn't be fair and reasonable to uphold this complaint.

Putting things right

Great Lakes needs to put things right by settling the claim for confinement benefit in line with the remaining policy terms.

My final decision

I'm partly upholding this 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 to accept or reject my decision before 25 April 2025.

Anna Wilshaw
Ombudsman