

## **The complaint**

Mr and Mrs W complain because Great Lakes Insurance SE only paid part of their claims under their travel insurance policy.

Mr and Mrs W's complaint has been brought to us by their representative, whose submissions I have referred to throughout this provisional decision as those of Mr and Mrs W.

All references to Great Lakes include the agents appointed to handle claims on its behalf.

## **What happened**

Mr and Mrs W were insured under a travel insurance policy, provided by Great Lakes.

During a holiday abroad in 2022, both Mr and Mrs W needed medical treatment, which Great Lakes recorded as separate claims.

In 2023, Mr and Mrs W brought a complaint to our service because Great Lakes hadn't paid their claims. I made a provisional decision about that complaint in July 2023. In it, I said Great Lakes should tell Mr and Mrs W what outstanding information it needed to consider their claims and then assess those claims. I also said Great Lakes should pay Mr and Mrs W compensation for the impact of its handling of matters on them. In response to my provisional decision, Great Lakes said it would pay Mr and Mrs W's claims. So, my final decision of 1 August 2023 directed Great Lakes to pay the claims as well as a total award of £300 compensation.

Great Lakes subsequently paid the compensation and settled part of Mr and Mrs W's claims. It said that Mr and Mrs W's policy didn't cover the costs of private medical treatment where a suitable state facility was available and, furthermore, Mrs W hadn't provided evidence that her treatment was medically necessary.

Unhappy, Mr and Mrs W brought this complaint to the attention of our service.

One of our investigators looked into what had happened. She said she didn't think Great Lakes had acted unfairly or unreasonably in the circumstances. Mr and Mrs W didn't agree with our investigator's opinion, so the complaint was referred to me.

I made my provisional decision about Mr and Mrs W's complaint earlier this month. In it, I said:

*'When making this provisional decision, my powers are limited to considering the events which have taken place since I issued my final decision about Mr and Mrs W's previous complaint on 1 August 2023. The rules we operate under do not allow me to revisit or comment on any of the issues or evidence which have already been determined.'*

*I understand Mr and Mrs W feel Great Lakes didn't comply with the directions set out in my final decision. An ombudsman's final decision, once accepted by the consumer, is legally*

*binding on both parties. But the Financial Ombudsman Service doesn't have enforcement powers, so any enforcement action would need to take place through the courts.*

*I'm satisfied that Great Lakes attempted to arrange to pay the compensation I awarded to Mr and Mrs W within 28 days of the date on which they accepted the final decision. While there was a subsequent delay by Great Lakes in paying the compensation once it had received the relevant bank account details, I can't make any further direction in this regard or require Great Lakes to pay the interest on the compensation that was previously directed. This can only be done by a court.*

*However, for the avoidance of doubt, a direction to pay a claim doesn't automatically mean that every cost claimed for will be covered. Any claim payment to be made will be subject to the remaining terms, conditions and exclusions set out in the policy, as well as the relevant policy limits and excesses which apply. Any failure by Great Lakes to mention a particular policy exclusion previously doesn't prevent it from now raising this as a reason for paying only part of Mr and Mrs W's claims.*

*I've considered all the submissions which Mr and Mrs W have made in relation to this case – including an email dated 31 July 2024 entitled 'Statement....to Ombudsman' – but I won't be addressing each and every complaint point raised. Instead, reflecting the informal nature of our service, I'll only be addressing what I consider to be the key issues.*

*Industry rules set out by the Financial Conduct Authority say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making this provisional decision.*

*The starting point for determining whether the claim settlements which Great Lakes has paid are fair and reasonable in the circumstances is the policy terms and conditions, which form the contract between Mr and Mrs W and Great Lakes.*

*Like most, if not all, travel insurance policies available on the market, Mr and Mrs W's policy only covers claims for private medical treatment in certain, limited circumstances in response to a medical emergency. Mr and Mrs W's policy very clearly states:*

***'Please note: this policy does not provide cover for treatment that can be delayed and carried out after **your** repatriation **home** or for any private medical expenses where medically suitable state treatment is available.***

*...*

***PLEASE NOTE: This is a travel insurance policy and not private medical insurance.'***

*Furthermore, Mr and Mrs W's policy doesn't cover medical costs greater than £350 unless these have been authorised by Great Lakes in advance.*

*But, my remit also allows me to consider whether I think a strict application of the policy terms and conditions provides a fair and reasonable outcome for both parties in the circumstances.*

#### *Mr W's private medical treatment costs*

*Mr and Mrs W say it's reasonable to conclude from Great Lakes' email of 16 August 2022 that Mr W's private medical treatment costs were approved and agreed. While the email confirms that Great Lakes agreed (after the event) that surgery needed to be carried out*

*before Mr W returned to the UK, the email doesn't explicitly confirm or imply that private treatment is covered.*

*However, I've carefully considered a report from Mr W's treating doctor abroad dated 13 May 2022. This says:*

*'With current waiting times in the public hospital system this matter could not be seen to urgently and therefore was carried out in the private system.'*

*I've also considered a report from the same treating doctor dated 20 July 2022 which explains it would have been dangerous for Mr W to embark on a lengthy flight to the UK untreated. Reports dated 7 June 2022 and 5 August 2022 also refer to Mr W as being unfit to fly in his pre-operative medical state.*

*Great Lakes' internal notes say there was a waiting list at the public hospital and there was no guarantee that Mr W could have had the surgery in a public hospital before his originally scheduled return flight.*

*Based on the evidence I've seen, I'm satisfied it was more likely than not that suitable state treatment wasn't available for Mr W.*

*I note Great Lakes wasn't made aware of Mr W's upcoming operation in the private hospital until the day before it was scheduled to happen, when consent forms for the operation to go ahead are dated some five days earlier. Generally, I'd expect a policyholder to notify their insurer of planned treatment and seek approval for this at the earliest possible opportunity.*

*However, when Great Lakes was made aware of the upcoming surgery, I don't think it told Mr W that private treatment may not be covered and I've seen no evidence that Great Lakes explored the possibility of Mr W having the operation in an alternative, state facility. While there were a number of emails between Great Lakes and Mr and Mrs W about the state healthcare scheme in the country they were visiting and Great Lakes suggested that Mr W should be treated at a public hospital, I don't think Great Lakes clearly made Mr W aware that his policy cover relating to private treatment was limited. In a situation such as this, where an insurer is seeking to decline a claim for private treatment costs, I'd expect Great Lakes to have done more to make Mr and Mrs W aware of the limitations of their policy at the time.*

*Overall, based on the specific circumstances of this individual case, I currently think it would be fair and reasonable for Great Lakes to pay for the remainder of Mr W's claim as it relates to his private medical treatment costs.*

#### *Mrs W's private medical treatment costs*

*The evidence which I've been provided with about Mrs W's claim is more limited.*

*Great Lakes seems to have been first notified about Mrs W's claim after she'd already had a GP consultation and a biopsy. And, Great Lakes doesn't appear to have been notified in advance that Mrs W was having a surgical procedure.*

*Under the terms and conditions of Mr and Mrs W's policy, Great Lakes should have been notified of this in advance so it could confirm whether to authorise the treatment.*

*However, Great Lakes has subsequently said its current position on this part of Mrs W's claim is that it hasn't seen evidence that the treatment was medically necessary.*

*I've attached a copy of a medical report from Mrs W's surgeon dated 5 May 2022 which*

*confirms that guidelines recommend the procedure which Mrs W underwent within 30 days. On the face of it, and taking into account Mr W's ongoing medical situation at the time, I'm satisfied this means it's more likely than not that Mrs W needed to have the medical treatment she did while she was still abroad.*

*While I haven't seen a copy of this medical report on Great Lakes's file, Mr and Mrs W say the report was first sent to Great Lakes in August 2022.*

*I've seen no evidence as to whether Mrs W's treatment could have been carried out within the state system but, given the length of time this claim has now been going on, I'm satisfied that Great Lakes has already been given reasonable opportunities to make enquiries into this point.*

*So, based on the specific circumstances of this individual case, I think it would now be fair and reasonable for Great Lakes to pay for the remainder of Mrs W's claim as it relates to her private medical treatment costs.*

### Compensation

*I understand Mr and Mrs W are seeking further compensation for how Great Lakes have handled matters since my final decision of 1 August 2023.*

*I would like to reiterate once again that the Financial Ombudsman Service has no power to award punitive damages.*

*I fully accept that Great Lakes' handling of the claim settlements will have impacted on Mr and Mrs W, but I think this impact has been minimised by the fact they have a representative acting on their behalf. I understand Mr and Mrs W's representative has recorded the time he has spent dealing with matters but we don't generally award compensation for this and Mr and Mrs W's representative isn't an eligible complainant in his own right.*

*Having taken into account all the circumstances of this case, including the policy requirements surrounding the notification of claims, I'm satisfied that a direction for Great Lakes to pay the outstanding private medical treatment claims is a fair and reasonable outcome for both parties, so I don't intend to award any compensation to Mr and Mrs W.'*

So, my provisional decision was that Great Lakes should pay Mr and Mrs W's claims for their private medical treatment costs together with interest.

Mr and Mrs W accepted my provisional decision. Great Lakes didn't respond.

### **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.

As neither party has made any new submissions nor provided any additional evidence, I see no reason to change my provisional decision.

### **Putting things right**

Great Lakes Insurance SE needs to put things right by paying Mr and Mrs W's claims for their private medical treatment costs.

Great Lakes must add interest at 8% simple per annum from the date the respective partial

claim payments were made until the date the remaining settlements are paid<sup>1</sup>.

### **My final decision**

I'm upholding Mr and Mrs W's complaint about Great Lakes Insurance SE and I direct it 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 W and Mrs W to accept or reject my decision before 27 December 2024.

Leah Nagle  
**Ombudsman**

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<sup>1</sup> If Great Lakes Insurance SE considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs W how much it has taken off. It should also give Mr and Mrs W a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.