

The complaint

Ms A, Mr R1 and Mr R2 complain that Great Lakes Insurance SE declined a travel insurance claim. My references to Great Lakes include its agents.

What happened

Mr R1 had an annual multi-trip travel insurance policy under which Ms A and Mr R2 were also insured. Great Lakes insures the relevant section of the policy.

Ms A and Mr R2 were due to fly abroad to take part in a special event but the day before their departure the airline told them the outbound flight had been cancelled. The airline refunded the cost of the flight but it said that as the flight cancellation was due to industrial action in the destination country it didn't need to pay Ms A and Mr R2 any compensation.

For Ms A and Mr R2 to take part in the special event they needed to arrive in the destination country as originally scheduled. So they booked the next available flight which was with another airline and cost more than the refunded cost. They claimed £848.40 on the travel policy for the additional cost of the new flight.

Great Lakes declined the claim. It said the claim wasn't covered by the policy terms. In particular, cover under the 'Travel delay and abandonment' section of the policy required that Ms A and Mr R2 had to be checked-in at the airport before they were notified of their flight's cancellation, which wasn't the situation.

Ms A, Mr R1 and Mr R2 complained to us. They said the policy term Great Lakes relied on was 'buried' in a long policy document and they shouldn't have to read the whole document to find out about cover. They also said that under the Consumer Rights Act 2015 (the CRA) provisions the policy term was unfair.

Our Investigator said Great Lakes had fairly declined the claim. Ms A, Mr R1 and Mr R2 disagree and want an Ombudsman's decision. They said we hadn't addressed their main point - the policy term Great Lakes relied on wasn't transparent and prominent as the CRA required.

Our Investigator said that it's for the courts, not this service, to decide if a contract breaches the CRA. But the relevant law is one of the things he'd taken into account when deciding if Great Lakes acted fairly and reasonably.

As agreement hasn't been reached the complaint has been 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.

Our Investigator correctly explained that it's the courts, not this service, to decide if an insurance contract breaches the CRA. I've taken into account the relevant law as well as

industry guidelines and good practice in deciding if Great Lakes has acted fairly and reasonably.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

Ms A and Mr R2 originally claimed under the 'Cancellation' section of the policy. As they didn't cancel their trip that section of cover isn't relevant to their claim. Anyway, that section only covers certain insured events as listed, which don't include Ms A and Mr R2's circumstances.

Great Lakes correctly and reasonably assessed the claim under the 'Travel delay and abandonment' section of the policy, which is the most relevant to the claim. That policy section says:

"We provide to each Insured Person in total per Insured Journey, up to the sums insured shown in the "Table of Benefits", in the event of Your unavoidable delay in departure of at least 12 hours from Your original scheduled departure time from Your first departure point on Your outward journey or Your last departure point on Your return journey as a result of...

2. Strike or Industrial Action...

4. Cancellation by the transport provider of Your scheduled pre-booked international flight, ferry, train or coach.

What is covered

1. Travel delay benefit:

a. For each complete 12 hours of delay; or

b. In the event of 4. (cancellation by the transport provider), corresponding to the delay in departure that You would have experienced had You waited for the earliest replacement travel arrangements offered by Your original transport provider, in the event that You choose to make earlier alternative travel arrangement

....

Additional conditions applying to this section

1. Travel delay benefit is intended to provide compensation if You are delayed at Your point of departure and is only applicable if You have travelled there and checked-in. If You have not travelled to Your departure point You will not be covered even if You have checked-in online".

Potentially Ms A and Mr R2 could have been covered for travel delay benefit, subject to the policy terms and limits. But they didn't meet the above additional condition to be covered for travel delay as they hadn't travelled to the airport, checked-in there and then had their flight cancelled.

Ms A and Mr R2's claim isn't covered by the policy terms. But I also have to decide what's a fair and reasonable outcome of the complaint in all the circumstances.

I've considered the points Ms A, Mr R1 and Mr R2 have made about how the CRA applies. I think the relevant policy terms are set out clearly within the policy. I think it's reasonable that the additional condition is set out as part of the 'Travel delay and abandonment' section, rather than in the list of general exclusions as suggested by Ms A, Mr R1 and Mr R2. The requirement for a policyholder to be checked-in at the airport to potentially have travel delay benefit cover isn't an unusual or significant policy term within a travel insurance policy (which we may have said would reasonably need to be separately highlighted). I appreciate the

additional condition has become significant to Ms A and Mr R2 as it means their claim isn't covered. But I'm satisfied that Great Lakes has done enough to inform them of the additional condition for the travel delay/abandonment cover by clearly setting it out within the policy.

I've also considered that as Ms A and Mr R2 had been informed of the flight cancellation the day before they travelled it made no sense for them to go to the airport the next day. There would be no check-in for that flight. But it's for Great Lakes to decide what cover it wants to offer. The policy clearly sets out the requirement for Ms A and Mr R2 to have checked-in at the airport. Great Lakes also sets out why it's chosen to have that requirement – '*Travel delay benefit is intended to provide compensation if You are delayed at Your point of departure*'. I don't think it would be reasonable for me to say that, even though the claim doesn't meet the clear policy requirements, Great Lakes should pay the claim.

Overall I'm satisfied that Great Lakes reasonably declined the claim.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A, Mr R1 and Mr R2 to accept or reject my decision before 20 February 2025.

Nicola Sisk
Ombudsman