

## **The complaint**

Mr and Mrs A complain that Great Lakes Insurance UK Limited declined a claim they made under their travel insurance policy.

## **What happened**

Mr and Mrs A held an annual multi-trip travel insurance policy, provided by Great Lakes. It covered them, and their children, between 31 December 2023 and 30 December 2024.

Mr and Mrs A travelled abroad in March 2024 with their children, and they were due to return in April 2024. However, their return flight to the UK was cancelled. This was because of war action in a neighbouring country. They had to extend their stay and buy new flights home. Mrs and Mrs A got a refund of the additional flights from the airline but made a claim to Great Lakes for the other additional costs they incurred.

Great Lakes declined the claim. It said the circumstances of the claim weren't covered by the policy terms. Unhappy with Great Lakes' position, Mr and Mrs A brought a complaint to our service. They say the policy term on war and civil unrest isn't clear, and it suggests their claim should be covered. Mr and Mrs A say they only took the action they did based on this understanding.

One of our investigators looked into what had happened. Having done so, he didn't think Great Lakes had acted unfairly or unreasonably when it declined the claim. He didn't think Mr and Mrs A's claim circumstances were covered by the relevant section in the policy. Our investigator explained that the policy term on war and civil unrest that Mr and Mrs A referred to was under policy exclusions. So, he said the wording here didn't provide cover – rather, any claim made would still need to fall under one of the sections of cover listed in the policy terms.

Mr and Mrs A didn't agree with our investigator's view. They said the policy wording is unclear and confusing, and therefore unclear to customers. They asked for an ombudsman to review the complaint.

As no agreement was 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.

Industry rules set by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr and Mrs A's complaint.

### Was there cover for Mr and Mrs A's circumstances under the policy terms?

For Mr and Mrs A to have cover under the policy, their circumstances need to fall under one of the sections of cover in their policy terms and conditions. There are 20 sections. Great Lakes considered the claim under Section 11: Travel delay and abandonment. Having looked through the policy terms, I think Great Lakes acted fairly and reasonably by considering the claim under this section. This is because whether a flight is delayed or cancelled, the effect is often similar and policyholders incur additional expenses.

The Travel delay and abandonment section provides cover in the following situation:

*"This section of the Policy sets out the cover 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:*

- 1. Adverse weather conditions (but not those defined as a Catastrophe).*
- 2. Strike or Industrial Action.*
- 3. Mechanical breakdown of the Public Transport on which You are booked to travel."*

Mr and Mrs A's return flight was cancelled by the airline due to war action. This situation isn't listed as a specified event under the above section. That means there's no cover for their circumstances under the policy terms and conditions.

Mr and Mrs A have said their flight wasn't delayed, it was cancelled. However, under a strict interpretation of the policy terms and conditions, there's no cover at all when an airline cancels a flight. This is because in this situation it's the airline that's responsible for putting things right.

For completeness, Mr and Mrs A's claim isn't covered under Section 2: Cancellation. This is because their trip wasn't cancelled. The policy terms state that cover for cancellation ends when policyholder leaves home to start the trip. Mr and Mrs A started their trip, and it was the return flight that was cancelled which meant they had to extend their trip.

### Policy exclusions

Mr and Mrs A have referred to a policy exclusion 31 on War and Civil Unrest which says the policy does not provide cover in the following situation:

*"Your presence in an area which is subject to War and Civil Unrest unless Your presence in such an area is due to:*

- a. The unscheduled transit or stopover of the aircraft or sea vessel in which You were travelling; or*
- b. Your involuntary diversion, transit or stopover as a result of Hijack, Kidnap or other occurrence beyond Your control; or*
- c. The sudden, unexpected occurrence of War and Civil Unrest in an area previously in a state of peace at the time You entered the area;*

*and in such cases You will be covered for a maximum period of 72 hours from your involuntary arrival in such an area or, where You are already present in an area previously in a state of peace, from the time when War and Civil Unrest first occurs, provided that:*

- a. You make all reasonable efforts to leave the affected area at the first opportunity; and*
- b. You are not involved in Active Participation."*

Mr and Mrs A say their circumstances are covered by the above term for 72 hours, as they entered the area during state of peace, and they made reasonable efforts to leave the affected area at the first opportunity.

However, the above is a policy exclusion. For a claim to be covered, the circumstances need to be caught by one of the 20 sections of cover set out in the policy terms. For the reasons I've explained in my decision, Mr and Mrs A's circumstances weren't covered by any of these sections.

Had they been covered by any of the 20 sections of cover, and Great Lakes tried to rely on the above exclusion on War and Civil unrest, we could consider if Mr and Mrs A's circumstances would be an exception to the exclusion, for the reasons they've set out. And if they were, then Great Lakes wouldn't be able to rely on the exclusion to decline the claim. But that doesn't change the fact that there's no cover for Mr and Mrs A's circumstances in the first place under sections 1-20.

Overall, I'm sorry to disappoint Mr and Mrs A, but I don't think Great Lakes acted unfairly or unreasonably when it declined their claim, for the reasons it did. I also don't think the above exclusion is unclear or confusing. So, I don't think there's anything Great Lakes needs to do, to put things right.

### **My final decision**

My final decision is that I don't uphold Mr and Mrs A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 9 January 2025.

Renja Anderson  
**Ombudsman**