

The complaint

Mr P complains about how Great Lakes Insurance UK Limited dealt with a claim against his travel insurance policy. Reference to Great Lakes includes its agents.

What happened

Mr P took out a single trip travel insurance policy underwritten by Great Lakes. On his return trip, Mr P says there were issues at the airport which meant he missed his connecting flight to the UK. The airline provided Mr P with a replacement flight two days later than his original return flight. Mr P made a claim against his policy in relation to the delay, additional accommodation, meal, phone and taxi and bus costs. Great Lakes paid Mr P £190 in relation to travel delay. Mr P asked Great Lakes how it had calculated that amount. Great Lakes subsequently paid Mr P's claim for additional accommodation costs. It also settled Mr P's claim for taxi and bus fares.

Mr P complains that Great Lakes asked unnecessary questions during the claims process and delayed settling his claim. He says Great Lakes sent him a settlement figure with minimal explanation about how it was calculated. Mr P says Great Lakes didn't respond to his request for a copy of his original claim. He doesn't think Great Lakes paid him the correct amount in settlement of his claim. Mr P wants Great Lakes to settle his claim in full and pay him compensation for his distress and inconvenience.

One of our Investigators looked at what had happened. She said that during the course of the complaint, Great Lakes said it had assessed Mr P's claim incorrectly but wasn't seeking to recover the amounts paid in error. The Investigator said whilst Great Lakes made errors in dealing with Mr P's claim, it paid him more than he was entitled to under the policy. In those circumstances, she didn't ask Great Lakes to pay Mr P any more.

Mr P didn't agree with the Investigator. He said the Investigator hadn't addressed some of the points he'd made. Mr P says Great Lakes didn't tell him it had overpaid him and he didn't think Great Lakes was entitled to reclaim the money it had paid in error. He says Great Lakes didn't mention the exclusion in relation to meals when dealing with his complaint. Mr P says he didn't receive the correct documentation when he took out the policy. The Investigator considered what Mr P said but didn't change her view. Mr P asked that an Ombudsman consider his complaint, so it was passed to me to decide.

In this decision I'm dealing with Mr P's complaint which led to Great Lakes' final response of 18 September 2024. Mr P has subsequently complained about the sale of the policy but Great Lakes isn't responsible for that. As the Investigator has explained, if Mr P wishes to complain about the sale of the policy he should first complain to the business who sold it to him. If he's not satisfied with its response, he may refer his complaint to this service.

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.

I've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say Great Lakes should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.

It's clear Mr P has very strong feelings about this matter. He has provided detailed submissions to support his complaint, which I have read and considered. However, I trust he will not take as a discourtesy the fact I focus on what I consider to be the central issues.

It's common ground that Great Lakes made errors in its handling of Mr P's claim. In its final response to Mr P, Great Lakes says it mistakenly repeated requests for information, didn't provide him with a breakdown of the settlement and didn't initially deal with parts of his claim. In addition, Great Lakes didn't respond to Mr P's request for a copy of his original claim and didn't respond to his questions in a satisfactory way. As Great Lakes has acknowledged it handled Mr P's claim very poorly, I don't need to comment on this further as it wouldn't alter the outcome of the complaint.

Great Lakes paid Mr P a total of £405.02 in relation to travel delay (£190), additional accommodation costs (£168.02), taxi costs (£37) and bus fare (£10). The remaining issue for me to decide is whether Great Lakes needs to do any more to put matters right. I don't think it does and I'll explain why.

Insurance policies aren't designed to cover every eventuality or situation. An insurer, Great Lakes in this case, will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy, the onus shifts to the insurer to show how the exclusion applies.

Great Lakes dealt with Mr P's claim on the basis he'd paid an additional premium for optional travel disruption extension cover. That was incorrect as Mr P hadn't taken out that additional cover. And Great Lakes didn't take into account a relevant general exclusion in the policy. Those errors were to Mr P's advantage, as Great Lakes made payments to Mr P for travel delay, additional accommodation costs, taxi costs and bus fare which weren't due to him. When mistakes like this happen, an insurer is entitled to recover the overpayment. Great Lakes has said it won't seek to recover the overpayment from Mr P. I think that's fair and reasonable.

Great Lakes made an error in failing to deal with Mr P's claim under the relevant parts of his policy, which are as follows:

'Section 5 Travel Delay

What is covered

We pay up to the amount shown in the table of benefits for the level of cover shown on **your validation certificate** if the intended departure of your first outward or final inward international flight [...] forming part of a booked trip, is delayed as a direct result of strike or industrial action, adverse weather conditions, failure of air traffic control systems, or mechanical breakdown of aircraft [...]

'What is not covered [...]

3. anything mentioned in the General Exclusions.'

'General Exclusions – applying to all sections

No section of this policy shall apply in respect of:

[...]

*8. Costs of telephone calls [...], meals, taxi fares (with the sole exception of the taxi costs incurred for the initial journey to a hospital abroad due to an **insured person's** illness or injury), [...] any additional travel or accommodation costs unless pre-authorised by us.'*

Mr P was delayed as a result of difficulties with his first return flight, not his '*final inward international flight*'. So, the policy doesn't cover what happened here. Excluding cover for connecting flights is a significant and unusual restriction on cover, which should be clearly highlighted to policyholders. I don't need to make a finding about whether the policy is sufficiently clear about this as, in total, Great Lakes has already paid Mr P more than he would be entitled to if the policy covered connecting flights in the travel delay section of the policy which I've set out above.

I've also considered section 4 of the policy, which covers missed departure and missed connection. The missed departure provisions cover circumstances in which the policyholder arrived too late to start the first part of a trip for certain specified reasons. That's not applicable here. The missed connection provisions provide assistance and alternative travel arrangements in certain circumstances but exclude cover where the transport provider provided alternative travel arrangements, as the airline did here.

There's an exclusion in the policy in relation to phone calls, meals and taxi fares except in limited circumstances which don't apply here. That sort of exclusion is common in policies of this type and I don't think it would be unfair or unreasonable for Great Lakes to rely on it.

In the particular circumstances of this case, and given the payments Great Lakes has already made in error, I don't think it would be fair and reasonable to direct Great Lakes to pay compensation for the distress and inconvenience it caused Mr P as a result of its poor handling of his claim. That's because the payments amount to more than the compensation I would award for distress and inconvenience.

My final decision

My final decision is that I don't uphold this complaint.

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

Louise Povey

Ombudsman