

The complaint

Mr and Mrs S are unhappy with the poor customer service they received from Great Lakes Insurance UK Limited ("Great Lakes") when the renewal of their home insurance policy was due.

What happened

Before renewing their policy, Mr and Mrs S tried updating Great Lakes of a change in circumstances before allowing the renewal to automatically occur. They wanted to make sure Great Lakes had all the correct information relating to them in order that the cost of cover was correct and to ensure the policy was set-up correctly in case they needed to make a claim later.

Unfortunately, due to technical difficulties, Great Lakes were unable to make changes either online or through its contact centre at that time. Mr and Mrs S did manage to have some communications with Great Lakes via email, but they found the direction provided by Great Lakes to be confusing and unsatisfactory. Mr and Mrs S had to chase Great Lakes and they found it stressful as they weren't sure whether they had a valid policy and were insured.

Great Lakes did apologise for the difficulties Mr and Mrs S faced, and after the complaint was escalated to out service, it offered Mr and Mrs S £50 compensation for the distress and inconvenience caused. Mr and Mrs S doesn't think this is sufficient.

Our investigator decided to uphold the complaint, however, she thought the compensation offered by Great Lakes was fair and in line with what our service recommends. For clarity, the complaint is "upheld" as the outcome is different to the position when the complaint reached our service (as afterwards Great Lakes offered the £50 compensation). Mr and Mrs S disagreed with the compensation that was offered, so the case has been referred to an ombudsman.

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 appreciate from the tone of Mr and Mrs S' correspondence that this situation was extremely frustrating and stressful for them. Mr and Mrs S were unable to quickly interact with Great Lakes to change their policy details when their policy was due for renewal.

Due to the messages Mr and Mrs S received back from Great Lakes, they felt in a "catch 22" situation, as they were unable to update the details of their policy and pay for a new policy term. They didn't know whether just allowing their policy to auto-renew (without updating details) would leave them exposed and without valid insurance should they need to make a claim.

This conundrum left Mr and Mrs S distressed, so much so that the issue resulted in 19 emails flowing between Mr and Mrs S and Great Lakes which included some auto-response emails and some that further messages which confused Mr and Mrs S.

I'm pleased that Great Lakes has acknowledged the distress the breakdown in its processes caused and it has since made a £50 offer of compensation, in addition to the apology it had already made. I need to consider whether I think this is reasonable in the circumstances.

A key element of my consideration is the timeline, from start to finish. From Mr and Mrs S first trying to contact Great Lakes to notify it of the change in their circumstances, to Great Lakes finally recording the change, informing Mr and Mrs S the impact on the premiums and confirming all was in order with the new policy, took three days.

I don't want to diminish the distress at all that Mr and Mrs S were feeling in this time. As I stated before, I can see the impact this had on them. They didn't know what to do. However, in the range of complaints our service gets to review, I think the impact on Mr and Mrs S was only for a short time, so I think the offer of compensation is fair. I do uphold this complaint (as the outcome has changed since the complaint came to our service), however, I won't be awarding any further compensation.

I have no reason to doubt that if an incident had occurred and Mr and Mrs S' insurance hadn't been resolved in the intervening time, that Great Lakes would've done the right thing and considered the claim under the existing policy terms. There was evidence of Mr and Mrs S providing the details and explaining the conundrum they faced to Great Lakes. I appreciate it may not have felt like this to Mr and Mrs S at the time, but as ultimately they didn't suffer any financial hardship due to the technical issues Great Lakes was experiencing, I think the compensation offered is reasonable.

My final decision

My final decision is that I uphold this complaint. I require Great Lakes Insurance UK Limited to:

- Pay Mr and Mrs S - £50 compensation for distress and inconvenience (if this has already been paid, Great Lakes don't need to do anymore).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 10 April 2025.

Pete Averill
Ombudsman