

## **The complaint**

Mr and Mrs B are unhappy with the way Great Lakes Insurance UK Limited acted after Mrs B declared a change in her health after a travel insurance policy, she and Mrs B had the benefit of, renewed in November 2023.

All reference to Great Lakes includes its agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my decision.

## **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.

Having done so, I uphold this complaint. I'll explain why.

The policy terms and conditions set out what the policyholder should do if they experience a change in health. The terms say:

Tell us about changes to your health by logging in to your...account...or by contacting our...Customer Services Team.

You must tell us if any of the following happen after you purchase your policy, or before booking any new trips or before starting a trip:

- you are diagnosed with a new medical condition; or
- you experience new or recurring symptoms or have an undiagnosed condition; or
- your doctor, or consultant adds to or changes your prescribed medication; or
- you receive inpatient medical treatment; or
- you are now awaiting a diagnosis, investigation, test results or medical treatment.

A member of the team will ask you specific questions about your medical condition(s). This may result in an additional premium to allow cover to continue, or we may add additional Terms and Conditions to your policy or exclude cover for the newly diagnosed condition or for the condition that has undergone significant change...

If we are unable to continue to provide cover, or if you do not wish to pay the additional premium you will be entitled to make a claim under Section 1

(Cancellation) for costs which cannot be recovered elsewhere for trips booked prior to the change in health.

Alternatively, you will be entitled to cancel your policy, in which case, we will refund a proportionate amount of your premium.

Please note that your doctor, or consultant telling you that you are well enough to travel does not mean that you will be covered for your pre-existing medical condition(s).

The policy also says:

There is no amendment fee for online policy changes on your...account. However, changes made by calling the customer services team will incur an administration fee of up to £15.

### **Has Great Lakes acted fairly and reasonably?**

Although our investigator has requested information relevant to this complaint from Great Lakes, it has provided limited information.

From what I've seen, I'm satisfied Mrs B contacted Great Lakes at the end of 2023 to:

- declare a fall which resulted in subdural hemorrhage;
- confirm that she and Mr B had a holiday booked for early 2024 but she wasn't fit to travel and would be looking to make a cancellation claim on the policy.

In its final response letter dated February 2024, Great Lakes accepts that Mrs B was told that someone would be in touch within five working days but that didn't happen.

Having not heard anything, I'm also satisfied that Mrs B chased Great Lakes at the beginning of February 2024 for an update. And was told that as a claim was going to be submitted, the medical declaration made around the time when the policy renewed in November 2023 couldn't be amended. As Mrs B wasn't fit to travel, she was told she could:

- cancel the trip and submit a cancellation claim to be assessed by Great Lakes; or
- cancel the policy and accept a pro-rata refund of the premium paid.

Further, all pre-existing medical conditions would now be excluded under the policy for Mrs B and a pro-rata refund of the additional premium paid in respect of her previously declared medical conditions would be offered.

From what I've seen, I'm satisfied that Mrs B received a pro-rata refund of almost £300.

Great Lakes also accepts that:

- Later the same day, Mrs B contacted it to confirm that she'd now been deemed fit to travel. However, as Mrs B was awaiting a bone density test, it would maintain its decision to exclude all pre-existing medical conditions until the outcome of the bone density test was known.
- Mrs B had mentioned the bone density test when renewing the policy and this was deemed to be a routine test at the time (and not impacting cover).
- Mrs B again confirmed in February 2024 that the bone density test was routine, and

this information was referred to its underwriter who said it would want to know the outcome of the bone density test before rescreening Mrs B's medical conditions and including cover for pre-existing medical conditions.

I'm satisfied that Mrs B:

- received the results of the bone density test shortly thereafter and before her holiday was due to start; and
- she declared the results to Great Lakes and cover for her declared pre-existing medical conditions (including subdural hemorrhage) was readded to the policy at a cost of around £500 plus £15 administration fee.

### **The bone density test**

In response to our investigator's view, Great Lakes relies on screenshots it says are from an underwriter around February 2024 which reflect that as Mrs B was awaiting the results of a bone density test at the time, it would look to exclude all pre-existing medical conditions until the results were known. That's because the bone density scan could provide information about any new condition.

However, Great Lakes hasn't provided any further documentary evidence in support of why awaiting the outcome of the bone density test meant that all previous medical conditions that had been declared when the policy renewed should also be excluded until the results were known.

Whilst it's not uncommon in my experience for insurers to want to know the outcome of any medical conditions to see whether this impacts cover, here, the bone density test was routine. Great Lakes accepts that Mrs B said she was due a bone density test around the time the policy was renewed and that didn't impact cover then.

Mrs B says she's been having routine bone density tests for many years, and I've seen medical evidence which supports that they had taken place every few years, so I accept what Mrs B says about that. The report of the test carried out in 2021 reflects that a repeat bone density test should take place in two to three years which is consistent with the follow up test taking place in February 2024.

So, I would've reasonably expected some further underwriting evidence supporting why in these circumstances the outcome of the bone density test was required before cover for all pre-existing medical conditions could be covered under the policy.

I think the delay in adding cover back on the policy for Mrs B's pre-existing medical conditions caused unnecessary confusion and distress for Mr and Mrs B. I'm satisfied they would've been worried about the possibility of not having cover in place for Mrs B's pre-existing medical conditions imminently before they were due to travel abroad. I'm satisfied that £200 fairly reflects the impact this had on them.

### **The cost of the additional premium to cover pre-existing medical conditions in February 2024**

In response to our investigator's view, Great Lakes has provided a screenshot which shows the cost of the amended additional premium for the additional medical conditions added after the policy renewed.

However, although this was requested by our investigator, Great Lakes hasn't provided a breakdown of how the amount of around £500 was calculated (which Great Lakes has said in response to our investigator's view was also impacted by a further condition being declared for Mr B but it hasn't, despite being asked by our investigator, provided any further details or evidence about how this condition for Mr B was disclosed and to what extent this increased the additional premium charged).

So, overall, I don't think Great Lakes has acted fairly and reasonably by charging Mr and Mrs B an additional premium of £500 to reflect the conditions declared as a change in health after the policy was renewed in November 2023.

It follows that I don't think it was fair and reasonable for Great Lakes to charge an administration fee of £15 to make the change to the policy.

Further, and in the alternative, the policy terms say an administration fee of "up to" £15 will be incurred for any changes to the policy made over the phone (rather than online). Given the customer journey and that Great Lakes didn't call Mrs B back as promised in December 2023 (which it accepts and has apologised for), leading to Mrs B having to chase by phone in February 2024, I think it would've been fair and reasonable in this case for Great Lakes not to have charged the administration fee to reflect the impact its' service failings had on Mrs B.

### **Putting things right**

I direct Great Lakes to:

- A. pay Mr and Mrs B £200 compensation for distress and inconvenience.
- B. refund the additional premium Mr and Mrs B paid for the policy in February 2024 for pre-existing medical conditions to be covered and the administration fee, totaling around £515. It can deduct from this amount the pro-rata premium refund Mr and Mrs B received of almost £300 earlier in February 2024.
- C. pay Mr and Mrs B simple interest at a rate of 8% per year on the difference in amounts set out in B. above\*.

\*If Great Lakes considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mr and Mrs B how much it's taken off. It should also give them a certificate showing this if they ask for one. That way Mr and Mrs B can reclaim the tax from HM Revenue & Customs, if appropriate.

### **My final decision**

I uphold this complaint to the extent set out above and direct Great Lakes Insurance UK Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 12 June 2025.

David Curtis-Johnson  
**Ombudsman**