

The complaint

Mr and Mrs C have complained that Great Lakes Insurance UK Limited hasn't fully settled a claim they made on a travel insurance policy.

As it is Mrs C leading on the complaint, I will mostly just be referring to her in this decision.

What happened

Mr and Mrs C were on a trip abroad in May 2024 when Mr C was taken seriously ill and had to be hospitalised. They therefore made a claim on the policy.

Great Lakes settled the claim in July 2024. However, Mrs C was dissatisfied that it didn't fully pay for taxi fares. It also didn't cover costs for food and drink and laundry bills. Additionally, it deducted an excess amount for each of them.

Our investigator thought that Great Lakes' settlement of the claim was reasonable, in line with the policy terms and conditions. Mrs C disagrees and so the complaint has been passed to me for a 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.

I've carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Mrs C had made an earlier and separate complaint to Great Lakes about the level of service provided when they were abroad. That complaint is also being dealt with as a separate issue by this service. To be clear, this decision is only looking at the complaint relating to the settlement of the claim.

Whilst Great Lakes did pay for some taxi fares, it did not pay for the cost of Mrs C attending the hospital during Mr C's admission.

Looking at the policy terms, under the section for 'Emergency Medical & Repatriation Expenses', it states:

'What is covered

g) the cost of taxi fares, for travel to or from hospital relating to your admission, discharge, attendance for outpatient treatment, or appointments, or for collection of medication prescribed by the hospital only.'

Looking at the above terms, it is clear that the taxi costs for Mrs C's travel are not covered.

It should be noted that Great Lakes did pay out a hospital daily benefit under the claim. The policy wording says: *'This payment is to contribute towards additional expenses such as taxi fares and phone calls incurred during your stay in hospital.'* However, I do appreciate that the amount paid for hospital benefit is insufficient to cover the taxi costs incurred.

Mrs C has explained that she had to get a taxi at the time of the medical event as she couldn't go in the ambulance. She has also explained that she restricted her visits to three times and didn't go every day, which she says is reasonable behaviour.

Of course, Mrs C would need to be with Mr C in hospital and there's no suggestion that she should have done anything differently. But the matter at hand is whether those circumstances are covered under the policy terms, and I'm afraid to say that they are not.

The same is true for the claims relating to food and drink and laundry costs.

The 'General Exclusions' section of the policy sets out where cover doesn't apply, including:

'9. We will not pay for any losses which are not directly covered by the Terms and Conditions of this policy. Examples of losses we will not pay for include loss of earnings due to being unable to return to work following injury or illness happening while on a trip and replacing locks if you lose your keys.'

10. Costs of telephone calls or faxes, 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), interpreters fees, inconvenience, distress, loss of earnings, loss of enjoyment of holiday, timeshare maintenance fees, holiday property bonds or points and any additional travel or accommodation costs unless pre-authorised by us.'

Meals are specifically listed as being excluded from cover. And, as laundry costs aren't directly mentioned as being covered, they are caught by exclusion 9 above.

Again, there's no suggestion that Mrs C didn't need to arrange to get laundry done due to unexpectedly having to stay abroad for an extra week. And of course they had to eat during that time, with the cost being inevitably more expensive than if they'd been at home. However, whilst I have a great deal of sympathy for their situation, I'm unable to conclude that Great Lakes has acted unfairly in declining to pay for these things.

In relation to the excess that has been charged, the policy terms state:

'Excess – an amount deducted per insured person, per policy section for each incident which results in a claim. The excess amount is shown under each section in the table of benefits on pages 6 and 7.'

Therefore, I'm satisfied that Great Lakes has acted correctly in deducting the excess for both Mr and Mrs C, in line with the above terms.

Mrs C has expressed her belief that insurance should put you back in the position you were in financially before the medical incident. But insurance policies cover a defined list of benefits. As already mentioned, no insurance policy covers everything. It is up to an insurer

to decide what it is and is not willing to cover. It is entitled to put limitations on cover, as long as those limitations are clearly explained. And looking at the policy terms, I consider that it is clear that the particular taxi costs, food and drink and laundry fees are not included in the cover.

Mrs C had also expressed concern about delay. However, that appears to be mainly in relation to the support received whilst abroad, which is not the subject of this complaint. Whilst there is always some inconvenience related to having to make a claim, on balance, I consider Great Lakes' handling of the claim, in terms of reaching the settlement amount, was reasonable.

Mrs C has talked about what a court might do. The financial ombudsman is an informal dispute resolution service, set up as an alternative to the courts. The law is one of the things I take into account and I also consider the relevant regulator's rules, guidance and standards and codes of practice to determine what I consider to be fair and reasonable.

I appreciate how strongly Mrs C feels about these issues. I'm sorry to disappoint her but, based on the available evidence, I am unable to conclude that Great Lakes has done anything wrong. Overall, I consider that it has correctly settled the claim, in line with the policy terms and conditions. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 11 April 2025.

Carole Clark
Ombudsman