

The complaint

Mr E and Ms R complain Great Lakes Insurance UK Ltd unfairly declined a claim they made on their travel insurance policy.

What happened

Mr E and Ms R had flown from the UK and stopped at an international airport, C. Their connecting flight from that airport (scheduled for the same day) was cancelled. With no other flights available, they didn't reach their intended destination, instead choosing to stay in the city nearest to C, before returning home.

Mr E and Ms R managed to secure reimbursement for the unused flight through the airline and credit card provider. But they made a claim to Great Lakes for the cost of the unused excursions and accommodation at their intended original destination.

Great Lakes declined the claim. It said there was no cover under the policy for a connecting flight being cancelled.

Mr E and Ms R complained about that decision. They felt Great Lakes hadn't been clear that connecting flights wouldn't be covered and this rendered the policy not fit for purpose. Great Lakes didn't agree to change its position and so Mr E and Ms R referred their complaint to the Financial Ombudsman Service for an independent review.

Our Investigator didn't think Great Lakes had acted unfairly in declining the claim. She said whilst it was unfortunate Mr E and Ms R couldn't reach their destination, there wasn't any cover under the policy for the situation they found themselves in. She thought the policy made clear it wouldn't provide cover in the situation they found themselves in, as unfortunate as it was.

Mr E and Ms R asked for an Ombudsman to consider the complaint. They said guidance on our website says if an insurer wants to restrict cover for connecting flights that this must be 'clearly highlighted'. They felt it wasn't and that it had been, they'd have sought alternative insurance to cover their full trip.

The Investigator didn't change her opinion and so the complaint has been referred to me.

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.

As this is an informal service I'm not going to respond to every point made or piece of evidence referred to by Mr E and Ms R, and Great Lakes.

Mr E and Ms R made a claim under the travel delay and abandonment section of the policy. This section covers what Great Lakes will pay in the event of a 12-hour delay and it also covers claims for abandonment of a holiday after 12 hours delay.

Like our Investigator, I'm satisfied cover under this section only applies if there is a delay from the first departure point, which was the UK airport Mr E and Ms R left from. The relevant part of term says cover is provided 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 in Your outward journey”.

There was no delay to the original flight that left the UK. So, there was no valid claim for travel delay and abandonment at that point. And there is no cover under the policy listed for flights after the first departure point. So, it follows that any travel delay or abandonment due to the cancelled flight from C, isn't covered under the policy terms.

Whilst I understand the situation this has left Mr E and Ms R in, ultimately the insurer has only chosen to provide cover for travel delay or abandonment in certain circumstances, from the first departure point. Great Lakes is entitled to decide what risks it wants to insure, and what it doesn't.

Having checked the other sections of the policy, I'm satisfied there isn't any other cover for the unfortunate circumstance Mr E and Ms R found themselves in. The policy does cover curtailment (cutting short a trip), and cancellation. But that cover only applies in certain circumstances, such as the death of a relative or authorised leave being cancelled in certain professions. There is no cover for curtailment or cancellation where a flight has been cancelled.

Mr E and Ms R say this wasn't clear when they took the policy out, and had Great Lakes been clear that connecting flights weren't covered, they wouldn't have bought the policy. Great Lakes does, when selling a policy, need to make sure it provides information that was clear, fair and not misleading in order for Mr E and Ms R to decide whether the policy was suitable for them when it was purchased.

Mr E and Ms R say this didn't happen. And they say our external guidance says a connecting flight exclusion needs to be “clearly highlighted”, which it wasn't. I've reviewed the IPID and the policy terms. However, I think it's important to note that this policy doesn't, unlike some other policies which might, have an exclusion for connecting flights.

The policy will only offer cover under each section of the policy, in certain situations, which are set out in the policy terms. And, importantly, there isn't anything in the IPID which I consider suggests there *is* cover for flights cancelled outside of the UK. The IPID, for example, doesn't even mention ‘*abandonment*’ cover as being something included in the policy.

The IPID says “*Travel delay*” is covered up to £500 and there is cover for “*Cutting short your trip*” up to £3,000. Given the limit set out for travel delay, I think this puts a consumer on notice that it is not intended to cover all losses that might be incurred as a result of a delay whilst travelling. And I don't think Mr E and Ms R, in reading the IPID, would consider that ‘curtailment’ cover would apply to them, as they didn't cut short their trip. They chose, instead, to stay in another location. So I can't see anything in the IPID that would have given them the impression, either at the point of sale or before making a claim on the policy, that the cancellation of the flight from C, and any unused accommodation costs as a result of that cancellation, would be reimbursed.

And I'm satisfied that the travel delay and abandonment section of the policy document is clear that it only applies to the first departure. So, I think Great Lakes has provided information that was clear, fair and not misleading. As such, it follows that I'm not going to ask it to meet the claim or do anything differently.

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 E and Ms R to accept or reject my decision before 8 April 2025.

Michelle Henderson
Ombudsman