

The complaint

Mr S and Mrs S have complained about the handling and settlement of a claim made under their travel insurance policy by Great Lakes Insurance UK Limited.

Great Lakes underwrites the policy but the claim has been handled by its agents. For simplicity in this decision I will only refer to Great Lakes, but this includes its agents.

What happened

The background to this complaint is well known to the parties. In summary Mr and Mrs S purchased a single trip travel insurance policy for a four-day trip abroad. Their medical conditions were fully disclosed. As part of the management of her condition, Mrs S relies on specialised medical equipment. Unfortunately when returning from their trip Mrs S's medical equipment was irreparably damaged by the security staff at the airport.

Mrs S made a claim under her policy and it was settled as 'personal items', although the policy limit wasn't applied to the total and £816 was paid. Great Lakes accepted that the service provided to Mrs S when had been poor and apologised.

Mr and Mrs S complained to this Service. The investigator felt that the claim settlement was fair but recommended compensation of £200 be paid for the service provided.

Mrs S appealed.

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.

Although I've summarised the background to this complaint and some sensitive medical details - no discourtesy is intended by this. I've taken into account all the representation Mrs S has made but I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the relevant law, the policy terms and the available evidence, to decide whether I think Great Lakes treated Mr and Mrs S fairly.

Having done so, and although I recognise that they will be very disappointed by my decision, I agree with the conclusion reached by the investigator. I'll explain why.

Firstly, it is not disputed that Mrs S's damaged medical equipment was worth over £7000 – so she has suffered a great loss. The issue is whether the equipment was covered by her policy.

Personal baggage is defined as: *Baggage, clothing, personal effects (excluding golf equipment, winter sports equipment, ski pass, and valuables) and other articles which belong to you (or for which you are legally responsible) which are worn, used or carried by you during a trip, excluding any vehicle, caravan or trailer.* Although medical equipment isn't specifically listed, I find that it was fair to assess the claim under this section – as 'personal effects'.

The policy offers cover as set out in Section 6a Personal Baggage:

We will pay up to the amount shown in the table of benefits, per insured person, for the level of cover shown on your validation certificate, if your personal baggage is damaged, stolen, destroyed, or lost (and not recovered) during the course of a trip.

Within this amount the following sub-limits apply:

a) we will pay up to; • £250 for Basic cover, • £400 for Comprehensive cover, or • £500 for Signature cover for any single article, or for any one pair or set of articles, where you are able to provide the original receipt, or proof of ownership.

Mr and Mrs S had 'Basic cover' so I find that £250 applied as the single article limit. It appears that Great Lakes overpaid the claim, but as this was not an error on the part of Mr and Mrs S I don't find it would be fair to require any reimbursement.

It is not unusual for policy limits of this type to apply. However Mrs S believes that as medical equipment is not specifically included in the definition it shouldn't be classified as a personal item. I don't agree. The policy term is clear and not ambiguous.

Additionally under the definitions sections it also states:

PLEASE NOTE: This travel insurance policy is not intended to cover expensive items for which you should take out full 'personal possessions' insurance under your home contents policy.

I don't find that Mrs S's medical equipment has been incorrectly classified. Nor do I find that the medical equipment is impliedly covered – other than under personal effects. And for the avoidance of doubt I don't agree that because Mrs S had declared her condition this meant that her medical equipment was covered.

However, I note that Mrs S also argues that this was a medical emergency and therefore her equipment should be covered under the policy's emergency medical and repatriation expenses section. But this section is intended to provide cover for medical treatment following a medical emergency. It says:

What is covered:

We will pay up to the amount shown on the table of benefits for each insured person who suffers sudden and unforeseen bodily injury, or illness, or who dies during a trip outside your home country for the following: a) medical expenses (including transportation to the nearest suitable hospital) for the immediate needs of an unforeseen medical emergency, when deemed necessary by a recognised doctor and agreed by our medical officer.

To activate cover here the insurer must be contacted, and the expenses deemed necessary (I believe they were by Mr S) and agreed by the insurer's medical officer. I do appreciate Mrs S was in need of her medical equipment, but fortunately a solution was found. I accept that this didn't manage her condition as effectively as the damaged equipment would have

done. But I'm not persuaded that the policy definition was met in order to activate cover. In any event the policy excludes (as far as relevant here):

- *any medical costs within the United Kingdom, Channel Islands or the Isle of Man*
- *medical, or repatriation costs greater than £350 which have not been authorised by us in advance*
- *any expenses incurred within, or after you have returned to your home country*

So although I recognise that Mrs S has suffered a large loss due to no fault of her own, this loss isn't covered by her travel insurance policy. I'm sorry this is so and recognise that Mrs S will be disappointed by my decision. I should point out that insurers are entitled to decide which risks they want to cover and the extent of cover they wish to provide. This is a matter of commercial judgement with which this Service won't interfere.

Mrs S has also referred to the '*potential discriminatory effect of the policy's application against those with protected characteristics*'. I understand this to mean she feels the policy could be discriminatory. Here I am considering what actually happened and the complaint Mr and Mrs S have made. However it is for the courts, rather than this Service, to make findings under the Equality Act, if such an action is brought.

Nevertheless the claim process didn't go smoothly and more than one explanation was given for the settlement amount. And I can see that Great Lakes referred incorrectly to the type of medical equipment that was damaged and had incorrectly said the items had been confiscated. Great Lakes has apologised for the service provided, but I agree that compensation is merited for the distress and inconvenience was caused by the handling of the claim. I find that £200 is fair in the circumstances.

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 £200.

I make no further award.

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 22 May 2025.

Lindsey Woloski
Ombudsman