

The complaint

Mrs R and Mr T are unhappy with the service they received from Great Lakes Insurance UK Limited throughout its handling of their claim.

What happened

Mrs R and Mr T were on holiday when, two days into their trip, Mrs R became unwell, suffering with pain in her head, chest and back. She was also suffering with symptoms of fatigue, a severe headache and was admitted to hospital on 30 January 2024. She was later diagnosed with an acute transmural myocardial infarction and required urgent treatment. Mrs R and Mr T made a claim on their joint travel policy the following day and their complaint relates to the way they were treated by Great Lakes and the poor service they received.

Mrs R was transferred to a second private hospital on 1 February 2024 as the original was unable to treat her condition. Mrs R and Mr T said Great Lakes didn't do enough to support them whilst they were in hospital. In particular, they complained the insurer didn't provide a guarantee of payment to sufficiently cover Mrs R's treatment at the first hospital. And that it didn't help pay for treatment at the second – meaning they had to cover the significant costs themselves, which caused considerable trauma and upset. Mrs R and Mr T also said there was, approximately, an 11-hour delay in treating Mrs R because of the difficulties they experienced raising the money needed to pay for her treatment. They said this delay had a direct impact on Mrs R's recovery since returning to the UK.

Mrs R and Mr T, upon returning home, said that Great Lakes caused considerable and avoidable delays whilst handling their claim to recover those costs. And that it repeatedly asked for information they'd already provided on more than one occasion. They were also chased repeatedly by the first treating hospital for outstanding medical bills and ambulance transfer costs, which would not have happened had Great Lakes handled their claim promptly.

Great Lakes accepted it'd caused delays handling Mrs R and Mr T's claim and that this left them out of pocket for longer than expected. It also conceded that the service they received was poor, noting it'd failed to acknowledge emails, provide updates or keep in regular contact throughout the period Mrs R was in hospital and took too long to decide liability.

But Great Lakes also highlighted some of the issues were beyond its reasonable control. It said the treating hospitals would not provide medical reports in good time. It also said the second treating hospital would not accept a guarantee of payment, which meant Mrs R and Mr T would have to pay the treatment costs themselves and claim back later. Great Lakes also said that upon receipt of the cardiologist's medical report, it discovered Mrs R hadn't told it everything about her medical history. And so, it needed to request her GP records to validate her cover – essentially adding to the delays.

Great Lakes offered £750 compensation for its poor handling of the claim and paid 8% simple interest on the overall claim cost. It also paid for her treatment costs and the curtailment of their trip.

Our investigator said that was fair. She recognised the difficulties Great Lakes encountered with the treating hospitals. She recognised Great Lakes weren't provided with medical reports until Mrs R was discharged and said it wouldn't be fair to hold the insurer responsible for the impact caused. But she thought Great Lakes didn't communicate regularly enough, or in enough detail, with Mrs R and Mr T. She also said Great Lakes took too long to reimburse their out-of-pocket expenses and so she felt the compensation and interest awarded was fair.

Mrs R and Mr T disagreed. In summary, they said the compensation wasn't enough to put things right. They explained they were left traumatised by their experience and that sadly, the trauma was extended when they returned to the UK and tried to claim back their expenses. Mrs R and Mr T said they had to rely on a friend to pay the cost of the treatment needed to secure the urgent operation which they say Great Lakes should have paid.

Mrs R and Mr T said they'd already paid the vast majority of medical expenses, and that Great Lakes had more than enough time to determine whether to cover that part of the claim. They also argued that Great Lakes knew the surgery needed to be paid upfront and the risks associated with the delay of her treatment. And so, it's now for me to decide whether the compensation offered by Great Lakes was fair.

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've decided not to uphold it for the same reasons explained by our investigator. I agree there were errors caused by Great Lakes and I'm persuaded this caused considerable distress and inconvenience to Mrs R and Mr T, however, I'm persuaded the £750 compensation and the interest paid to them is fair. I'll explain why.

There were several issues that negatively impacted Mrs R and Mr T's experience, although, I'm persuaded not all of that was caused by Great Lakes. It's unfortunate that the treating hospitals wouldn't work more closely with the insurer or accept the guarantee of payment it'd sent. The evidence shows that Great Lakes sent the guarantee of payment to the first hospital the day after Mrs R was admitted on 28 January 2024, which I thought was reasonable, however, this only covered the first two days of care.

Mrs R was then transferred to the second hospital, on 31 January, as the original hospital didn't have the facilities to treat Mrs R. And so, she was moved to a hospital equipped with cardio facilities. This was arranged by the hospital and given her symptoms, I thought that was the right thing to do. But I note Great Lakes weren't involved in that decision. There were transfer costs incurred here, which I'll go on to talk about, however as Great Lakes didn't arrange the transfer, I understand how it initially overlooked those costs. But that doesn't explain why it took so long to settle the outstanding bill.

Mrs R and Mr T have argued that the guarantee of payment didn't cover all of the treatment she received at the first hospital, and I agree. In April 2024, it became clear the ambulance transfer costs hadn't been paid under the guarantee and Mrs R and Mr T were chased by the hospital for the outstanding costs. I take on board that was stressful for them and I note Great Lakes put things right and settled those costs, but this wasn't paid until September 2024. I thought that given Mrs R and Mr T made Great Lakes aware those costs were unpaid in April, it shouldn't have taken five months to settle.

Unfortunately for Mrs R and Mr T, the second treating hospital wouldn't accept the guarantee of payment from Great Lakes or comply with its requests for medical reports. It wanted

treatment costs paid upfront which made it difficult for Great Lakes to provide support in the circumstances. I fully accept that caused Mrs R and Mr T frustration, but I'm satisfied Great Lakes went to some effort to try and gather the relevant medical evidence from the treating hospital so it could have some input into Mrs R's care.

It's unusual for a hospital to refuse to accept a guarantee of payment from an insurer. The evidence I've seen shows the hospital wouldn't provide the necessary information, including medical reports, until Mrs R was discharged on 7 February. Great Lakes also instructed a local agent in an attempt to resolve the issue, however, the hospital held firm on its position. I note Great Lakes repeatedly asked for medical records from the hospital, but its requests went unanswered and so this greatly restricted the support it could give at this undoubtedly difficult time.

On 4 February the hospital outlined the treatment costs for Mrs R and refused to perform any treatment in lieu of payment. The surgery was scheduled to take place on 6 February. Mr T arranged for a friend, who lived locally, to pay the hospital. To be clear, Mrs R and Mr T argued that Great Lakes should have paid the upfront cost and that its reluctance to do that caused Mrs R's treatment to be delayed by around 11 hours.

Great Lakes should have done more to support them by making arrangements to pay the £1,200 to the hospital so Mrs R could be treated. It must have been a significantly difficult moment for both Mrs R and Mr T, which was ultimately caused by the hospital's difficult approach to care. But I'm persuaded Great Lakes's lack of proactivity and support made that much worse.

I accept Great Lakes couldn't get a medical report to determine whether the proposed treatment was medically necessary, however, I thought it could have tried harder than it did to speak directly with Mr T to obtain more information.

Mr T said he attempted to arrange a bank transfer from his UK bank account, however, the hospital wouldn't have received it in time. This was further complicated by it being unsafe for him to retrieve the money from the ATM given the location of their trip. The hospital also couldn't accept card payments. Mrs R and Mr T described how they felt abandoned by Great Lakes in this moment, and I'm persuaded by their testimony about that.

Whilst these barriers weren't directly caused by Great Lakes, it could have been more supportive by reaching out to Mr T directly and discussing a way forward. I note Mr T made several phone calls between 5 and 6 February to try and get Great Lakes to pay the costs demanded by the hospital, however, the insurer didn't respond. Luckily, Mr T was able to arrange the necessary payment and Mrs R was able to have the treatment she needed, albeit 11 hours later than planned, on 6 February. I think this had a significant impact on Mrs R and Mr T and I'd have awarded a similar amount of compensation, had Great Lakes not done this already.

I noticed on 7 February Great Lakes asked whether it could pay the final treatment costs directly to the hospital on the understanding that the hospital would return the payment made by Mrs R and Mr T. But this was too late as the treatment had taken place the day before and Mrs R had been discharged.

Mrs R and Mr T explained that this delay has directly impacted Mrs R's overall recovery and that this was the opinion of her specialists in the UK. I've considered that argument, however, I'm not persuaded by it. I say that because I've not seen any medical evidence that explains that.

The specialist's medical report was released to Great Lakes once Mrs R had been

discharged on 8 February 2024. Great Lakes, upon reviewing the report, noticed Mrs R hadn't told it everything about her previous medical history. The specialist's report noted Mrs R had suffered with hypertension, which hadn't been declared previously. And so, this delayed the reimbursement of Mrs R and Mr T's costs as Great Lakes needed more time to validate their cover.

Great Lakes requested to see Mrs R's GP records so it could determine whether the misrepresentation would have impacted its decision to offer her cover. This caused a short delay, however, I'm satisfied this was unavoidable as it needed to fully investigate the misrepresentation of Mrs R's medical history and validate the claim.

I'm persuaded Great Lakes caused unnecessary delays whilst assessing their out-of-pocket expenses. Our investigator said Great Lakes had everything it needed to reach a decision on that point in March and I agree with that. The settlement was eventually paid by the end of June, however, that meant Mrs R and Mr T were without that money for considerably longer than expected. Great Lakes also accepted that and paid interest at 8% on that amount, which I thought was fair in the circumstances.

I say that because it's the rate of interest used by the ombudsman in cases with similar circumstances. I should also say that I consider the overall impact of Great Lakes' actions to be significant. Our investigator explained that the compensation paid by Great Lakes is within our significant award range and I agree. It's for these reasons I don't make any additional award here, because I'm persuaded the compensation paid is fair.

My final decision

I don't uphold this complaint for the reasons I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr T to accept or reject my decision before 7 July 2025.

Scott Slade
Ombudsman