

The complaint

Miss M complains that Great Lakes Insurance UK Limited has turned down an abandonment claim she made on a travel insurance policy.

What happened

In April 2024, Miss M took out a single trip travel insurance policy through a broker. The policy was intended to provide cover for a trip Miss M planned to take between 5 and 27 April 2024.

Miss M was due to fly from the UK to a country I'll call C and then take a connecting flight on to another country I'll call R. She was scheduled to arrive in R on 6 April 2024. Miss M was then due to take an internal flight within R for a two day trip before going on to stay in booked accommodation for around two weeks.

However, Miss M's airline rescheduled her outbound flights. Instead of flying directly to R from C, the booking was changed so Miss M would need to fly from the UK to one city in C, before taking a connection on to another city in C and then flying on to R. This change in schedule didn't materially affect Miss M's planned arrival time in R.

But later that day, the airline let Miss M know that her outbound flight from the UK to the first city in C was delayed by over an hour. And, after Miss M had arrived at the airport, it told her that the flight between the two cities in C had been effectively cancelled and rescheduled for the following day. This meant Miss M wouldn't arrive in R until 25 hours later than planned.

So Miss M decided to abandon her trip. That's because she wouldn't have arrived in R in time to take the two-day internal trip; she'd have had nowhere to stay and she'd have incurred additional costs in rebooking the internal flights in R. She made a claim on the policy for her irrecoverable trip costs.

Great Lakes turned down Miss M's abandonment claim. It said the delayed departure and abandonment section of the policy only provided cover for delays to a policyholder's first departure point on their outbound journey. In this case, Miss M's first departure point had been the UK airport. But the significantly delayed flight was between two cities in C. It did later go on to pay Miss M £100 delay benefit because it said Miss M's original outbound flight from the UK had been delayed in taking-off. However, it later told us that Miss M hadn't been entitled to this payment, as she hadn't actually travelled. It said it wouldn't look to recover this amount.

Miss M was very unhappy with Great Lakes' decision and she asked us to look into her complaint.

Our investigator didn't think Great Lakes had treated Miss M unfairly. In summary, she thought the policy terms made it clear that Great Lakes would only cover delayed departure claims if a policyholder's first outbound flight was delayed by more than 12 hours. And in this case, Miss M's flight from the UK to C was only delayed by just over an hour. So she thought

it had been reasonable for Great Lakes to turn down the claim. She also thought it was fair for Miss M to keep the £100 Great Lakes had paid her in error.

Miss M didn't agree and so the complaint was passed to me to decide.

I issued a provisional decision on 10 March 2025, which explained the reasons why I didn't think Great Lakes had treated Miss M fairly. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think Great Lakes treated Miss M fairly.'

The policy terms

I've first considered the policy terms and conditions, as these form the basis of the contract between Miss M and Great Lakes. Miss M made an abandonment claim on the policy. So I think it was reasonable and appropriate for Great Lakes to consider Miss M's claim in line with the 'travel delay and abandonment' section of the policy. This says:

*'This section of the Policy sets out the cover We provide to each Insured Person in total per Insured Journey, up to the sums insured shown in the "Table of Benefits", **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 on Your outward journey or Your last departure point on Your return journey as a result of:***

- 1. Adverse weather conditions (but not those defined as a Catastrophe).*
- 2. Strike or Industrial Action.*
- 3. Mechanical breakdown of the Public Transport on which You are booked to travel...*

What is covered

- 1. Travel delay benefit for each complete 12 hours of delay.*
- 2. In the event that You decide to abandon Your outward trip, the cost of:*
 - a. Your unused non-refundable pre-booked travel and accommodation expenses which You have paid or are contracted to pay; and*
 - b. Your unused non-refundable pre-booked airport parking, car hire, airport lounge pass and excursions which You have paid or are contracted to pay; and*
 - c. Your unused non-refundable visa, ESTA (Electronic System for Travel Authorisation for travellers to the USA) or other relevant travel permission which You have paid.' (My emphasis added).*

Great Lakes turned down Miss M's claim because her outbound flight from the UK – which was her first departure point - wasn't delayed by more than 12 hours. The significant delay of more than 12 hours affected the connecting flights within C. It's the delay to those connecting flights which would have led to Miss M arriving in R around a day later than planned. And I don't currently think there's clear evidence from the airline which shows that the flights in C were rescheduled because of adverse weather conditions; strike or industrial action, or mechanical breakdown of the aircraft. So it isn't clear that the delay was caused by something the policy covered.

Based on the application of the policy terms then, and taking into account other relevant policy conditions, I don't think I could fairly find that Great Lakes acted unreasonably when it concluded that Miss M's claim wasn't covered by the contract she took out.

What is fair and reasonable in all the circumstances

With that said, I'm not bound by a strict application of the policy terms. My remit is to consider what I think is fair and reasonable in all of the circumstances. Due to the nature of travel plans and long-haul holidays, many travellers now include connecting flights in their bookings. I think most policyholders would reasonably understand connecting flights which take them from their first departure point to their ultimate destination to be their outward or inward bound journeys. Miss M told us she considered her overall journey from the UK to R to be one overall flight.

But this policy doesn't provide cover for delay or abandonment claims which occur because of a delay to a connecting flight. In my experience, there are travel insurance policies available on the market which do cover connecting flights. And so I think the fact that this policy doesn't provide this cover is a significant restriction which should be clearly highlighted in the policy documentation.

In my view, the policy terms don't make it sufficiently clear that connecting flights won't be covered. There's no clear exclusion for connecting flights in the contract terms. Nor is the exclusion detailed on the Insurance Product Information Document (IPID) – which sets out an at-a-glance summary of the main features, benefits and exclusions which apply to the travel insurance policy. Given the significance of this restriction on cover, I think that the policy terms and the IPID should have made it clear that Great Lakes didn't cover connecting flights.

This means I now need to go on to consider whether I think Miss M has lost out as a result of Great Lakes' failure to highlight the lack of cover for connecting flights. And I think she has. Miss M said that if she'd been made aware of the lack of cover for connecting flights, she'd have taken out a policy with another insurer which did provide the cover she wanted. As I've said, there are policies available on the market which do provide delay and abandonment cover for connecting flights. So I think it's more likely than not that if the policy documents had made it sufficiently clear that connecting flights weren't covered, Miss M would have taken out a policy which could potentially have provided at least some cover for the situation she found herself in.

Therefore, I need to decide how I think Great Lakes should put things right. Based on the evidence I have; I don't think I could fairly or reasonably tell it to pay Miss M's claim. That's because I don't think Miss M has provided enough evidence to show that the delay was caused by something the policy covered. And I'm also not satisfied it's most likely that Miss M's full claim would have been covered by any other insurer, even if the policy did provide delay cover for connecting flights.

Based on the specific circumstances of this complaint, I currently think the fair outcome would be for Great Lakes to pay Miss M compensation of £500 (in addition to the £100 it's already paid her in error). In my view, this award of compensation fairly reflects the significant amount of trouble and upset I think Miss M was caused by Great Lakes' failure to highlight the lack of connecting flights cover, her lost chance to buy the cover she needed and her loss of expectation when the claim was turned down. So it follows that I'm planning to direct Great Lakes to pay Miss M £500 compensation.'

I asked both parties to send me any additional evidence or comments they wanted me to consider.

Great Lakes accepted my provisional findings.

Miss M said that she did have evidence from the airline that the flight delay was caused by a mechanical fault of the aircraft and she asked me to take this into consideration.

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 still think the fair outcome to this complaint is for Great Lakes to pay Miss M £500 compensation and I'll explain why.

I'd like to reassure Miss M that I did take into account the evidence she provided from the airline when I assessed her complaint. I can see that the airline stated that the flight on 5 April 2024 was delayed by a controllable carrier issue, which caused a misconnection. The evidence states that this carrier issue on 5 April 2024 meant Miss M's final arrival time at her destination would've been 25 hours later than planned.

But I've looked carefully at Miss M's flight itinerary. I can see the flight reference number the airline quoted appears to relate to Miss M's original flight from the UK to C, rather than the internal flight in C which was cancelled. It seems to have been the cancellation of the flight in C which led to Miss M's decision not to travel. And even if I'm wrong on that point, it isn't clear to me that a 'controllable carrier issue' was a mechanical breakdown of the aircraft. So I still don't think there's clear evidence from the airline that the delay was caused by something the policy covers.

Overall, while I sympathise with Miss M's position, I don't think Great Lakes acted unfairly when it concluded that her claim wasn't covered by the policy terms. But I still think Miss M was caused trouble and upset as a result of Great Lakes' failure to highlight the restriction on cover for connecting flights. And therefore, I've decided that the fair and reasonable outcome to this complaint is for Great Lakes to pay Miss M £500 compensation, in addition to the £100 it paid her in error.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint.

I direct Great Lakes Insurance UK Limited to pay Miss M £500 compensation.

Great Lakes Insurance UK Limited must pay the compensation within 28 days of the date on which we tell it Miss M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 April 2025.

Lisa Barham
Ombudsman