

The complaint

Mrs and Mr H complain that Great Lakes Insurance UK Limited declined their travel insurance claim. My references to Great Lakes include its agents.

What happened

Mrs and Mr H had single trip travel insurance, insured by Great Lakes. They were booked to go to Paris by Eurostar for a special occasion. However, arson attacks in France caused major disruption to rail services so Mrs and Mr H's Eurostar train was cancelled and they couldn't go on the trip. Eurostar refunded the cost of the train ticket. Mrs and Mr H claimed on their travel insurance for their non-refundable hotel costs.

Great Lakes declined the claim. It said the circumstances of the claim weren't covered by the policy terms. Great Lakes also said Mrs and Mr H had bought the policy the same day as the announcement about the arson attacks and it believed they were aware of the problem before buying the policy.

Mrs and Mr H complained to us that Great Lakes' decision was unfair. They said any reasonable person buying travel insurance would expect to receive reimbursement from the insurer if, through no fault of their own and in circumstances impossible to have foreseen, they weren't able to travel to their destination. Mrs and Mr H also said the relevant policy wording was on pages 26 and 47 in a 'voluminous' policy document which most consumers wouldn't read or understand all the policy wording and 'legal jargon'.

Our Investigator considered that Great Lakes had reasonably declined the claim. Mrs and Mr H disagree and want an Ombudsman's decision. They added that Great Lakes would have paid their claim if the train had broken down so it should pay this claim.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

I've listened to the call Mr H made to us detailing his complaint and I know he and his wife feel very strongly that Great Lakes has been unfair to them. I'm sorry to disappoint them but I'm satisfied that Great Lakes fairly and reasonably declined the claim. I'll explain why. The policy terms cover specified costs for cancellation of a trip and travel delay or abandonment of a trip, but only for specific insured reasons which the policy sets out.

The 'Cancellation' section of the policy says:

"This section of the Policy sets out the cover We provide to each Insured Person in total per Insured Journey, up to the sum insured shown in the "Table of Benefits", following necessary and unavoidable cancellation of a trip as a result of:

- 1. The death, Bodily Injury or Illness, as certified by a Medical Practitioner, of You, Your Relative, Colleague or travelling companion or of a friend with whom You had arranged to stay; or*
- 2. Your or Your travelling companion's attendance at a court of law as a witness (except as an expert witness) or for Jury Service where postponement of the Jury Service has been denied by the Clerk of the Courts Office; or*
- 3. You or Your travelling companion being a member of the Armed Forces, Police, Ambulance, Fire or Nursing Service and Your or their authorised leave being cancelled due to an unexpected emergency or a posting overseas at the time of Your trip; or*
- 4. You or Your travelling companion being instructed to stay at Home (within 7 days of Your departure date) by a relevant authority due to severe damage to Your or their Home or place of business in the United Kingdom caused by serious fire, explosion, storm, flood, subsidence or burglary; or*
- 5. Your involuntary redundancy or that of Your travelling companion or Your spouse, civil partner or cohabiting partner, notified after the purchase of this Policy or after the trip was booked, whichever is later".*

Mrs and Mr H's trip was cancelled due to an arson attack causing major rail network disruption in France. Those circumstances aren't covered by any of the insured events set out in the 'Cancellation section'.

The 'Travel delay and abandonment' section of the policy 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".*

The cause of Mrs and Mr H's train cancellation isn't covered by any of the insured events set out in the 'Travel delay and abandonment' section of the policy.

Great Lakes correctly assessed the claim against the above two policy sections and correctly said Mrs and Mr H's claim wasn't covered by the policy terms.

I also need to decide what's fair and reasonable in all the circumstances of this complaint. I understand Mrs and Mr H were unable to travel to Paris through no fault of their own and for reasons they couldn't have foreseen when they booked the trip. But that doesn't mean it's fair and reasonable for Great Lakes to pay their claim.

Travel insurance policies don't cover every situation a consumer may find themselves in. It's for the insurer to decide what risks it's willing to cover and set those out in the terms and conditions of the policy. An insurer is reasonably entitled to decide it only wants to cover

cancellation, travel delay and trip abandonment in certain circumstances so long as the policy terms and conditions are clear about that, as they are in this policy.

Under the travel delay and trip abandonment policy section Great Lakes may have paid a claim if the train had broken down, but that didn't happen here. Great Lakes has set out in the policy the risks it wants to insure which don't include train cancellation due to arson attacks causing major incidents on the rail network. Also, under that policy section there's a specific exclusion which says:

"What is not covered

Any claim arising as a result of a Catastrophe".

The policy definition of 'Catastrophe' includes fire. So a claim caused by an arson attack is not only not covered but is also specifically excluded under that policy section.

The above policy sections are on pages 26 and 47 of an 89 page policy document. I understand Mrs and Mr H found it a long document. But all travel insurance policies have policy terms and set out the risks the insurer is prepared to insure. This policy has sections of insured risks which are clearly set out. I think the wording in the relevant sections is clear without difficult to understand 'legal jargon'. The specific insured reasons for cancellation and travel delay or abandonment claims set out in this policy aren't unusual. I don't consider that Great Lakes needed to highlight those specific insured reasons any more than it had done.

I haven't considered whether Mrs and Mr H would have reasonably known about the arson attacks when they bought the policy. Even if they didn't know when they bought the policy I've explained above why I'm satisfied that Great Lakes fairly and reasonably declined Mrs and Mr H's claim.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 12 May 2025.

Nicola Sisk
Ombudsman