

The complaint

Mr and Mrs A have complained that Great Lakes Insurance SE declined a claim they made on a travel insurance policy.

As it is Mr A leading on the complaint, I will mostly just be referring to him in this decision.

What happened

Mr and Mrs A and their four children were on a trip to Israel and due to return home on 11 October 2023. Due to the conflict breaking out, the airline cancelled the return flight.

Mr A rang Great Lakes on 9 October 2024 to find out if he was covered for making alternative travel arrangements. He subsequently booked new flights departing on 12 October 2023 to another European country, and from there, he booked further flights to return his family to the UK. In total it took three flights to get home.

Great Lakes declined the claim on the basis that the circumstances are not covered under the policy terms.

I wrote a provisional decision last month in which I concluded that Great Lakes had acted reasonably in declining the claim. However, I increased the award for distress and inconvenience to £400 from the £200 that our investigator had originally recommended.

Mr A has provided some more comments in response to my provisional decision, which I will address below.

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 complaint involves the actions of the claim administrators, acting on behalf of Great Lakes. To be clear, when referring to Great Lakes in this decision I am also referring to any other entities acting on its behalf.

I've carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

There would be no cover under the curtailment section of the policy as Mr A's trip wasn't cut short. Looking at the policy terms, under the 'Travel delay and abandonment' section, they state:

'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.'*

It's clear that the circumstances Mr A found himself in aren't included in the list of insured perils set out above.

Mr A has referred to a clause in the General Policy Exclusions about not being covered if you are in an area of war and civil unrest unless you meet certain conditions, in which case you would be covered for a maximum of 72 hours.

So, the starting point is that you are not covered if you are in a war zone. But you would likely be covered if the reasons for making a claim fall within the list of insured perils and happens within 72 hours of the war starting. But the war starting is not in itself an insured peril.

I've also looked at the remainder of the policy wording, to see if there were any other sections under which the claim could be considered. However, the circumstances do not fall within the scope of the wider policy terms.

Mr A says he took the decision to book new flights due to being told in the phone call on 9 October 2023 that his expenses would be covered. As such, he thinks that Great Lakes should honour the claim.

In response to my provisional decision, he says that the conversation was not merely a vague or tentative exchange and that he was specifically advised that he would be reimbursed if he returned to the UK within 72 hours. He says he had no reason to doubt this verbal assurance.

I agree that the adviser did say this at one point in the conversation. However, as stated in my provisional decision, the adviser becomes less certain about what circumstances would be covered and says that confirmation from the underwriters was still being awaited. It is apparent that Mr A isn't totally convinced by what he is being told, so I consider that he did doubt the verbal assurance. He therefore asks for clarification to be provided to him in an email.

In response to my provisional decision, Mr A says that the lack of the promised email compounded the misinformation and directly influenced his urgent decision to act. But he'd been concerned enough about when the 72-hour period was supposed to start that he requested clarification. He could have re-contacted Great Lakes when the email didn't arrive. However, he went ahead and booked the flights anyway.

I have taken into consideration that the adviser failed to send him the requested email and this formed part of the reason why I increased the level of compensation.

As I explained in my provisional decision, when an insurer makes a mistake, we wouldn't necessarily expect them to honour that mistake. The outcome depends on what would have happened had that mistake not happened. So, the question is, would Mr A have acted differently if he had been told in the phone call on 9 October 2023 that no cover would be provided under the policy terms.

I had provisionally concluded that Mr A would more likely than not have taken the decision to leave as soon as possible anyway, even knowing that there would be no cover under the policy terms for the extra cost. Mr A says this conclusion is speculative and underplays the context of the situation.

He says he had free accommodation with his family, the war was not affecting the immediate area and that evacuation options were emerging from the UK government. These arguments are a reiteration of his earlier submissions that I had already considered when forming my provisional opinion.

I've re-considered Mr A's position. However, I still take the view that these things are being said with the benefit of hindsight. As I've previously pointed out, it was clear from the phone call of 9 October 2023 that he was very eager to leave the country. He made alternative arrangements without waiting for further confirmation that his costs would be covered. He was so concerned that he didn't wait for flights to the UK to become available. He booked flights to another European country without having onward flights to the UK at that point. And I've heard him say in the phone call of 17 October 2023 that he was desperate to come home. It's understandable that someone in his situation should want to do everything possible to protect his young family from possible danger.

I continue to have a great deal of sympathy for Mr A's situation. He was caught up in a situation that was outside of his control and took steps to protect himself and his family. However, I have not been persuaded to alter the outcome I reached in my provisional decision.

Overall, I find it fair and reasonable that Great Lakes has declined the claim. However, it raised his expectations that the claim might be payable, for which it should pay appropriate compensation.

My final decision

For the reasons set out above, my final decision is that I uphold the complaint and require Great Lakes Insurance SE to pay £400 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask X and Mrs A to accept or reject my decision before 30 May 2025.

Carole Clark
Ombudsman