

The complaint

Mr and Mrs B have complained that Great Lakes Insurance UK Limited unfairly declined to pay the full value of their claim when they had to cancel their holiday.

What happened

In summer 2023, Mr and Mrs B booked an overseas trip which would start on 30 January. The trip cost £15,972. At the time of the booking, they had an annual travel insurance policy with Great Lakes, which provided them with £5,000 worth of cover each should they have to cancel a trip for a reason covered by the policy. The policy was due to renew on 28 January.

On 26 January, Mr B's father was admitted to hospital for an ongoing medical issue. Mr and Mrs B expected him to be stabilised and to return home. But his condition deteriorated and, on 29 January, Mr and Mrs B decided to cancel their trip. Mr B's father sadly died a few days later.

Mr and Mrs B's travel insurance had renewed on 28 January. But, on the morning of 29 January, they opted to upgrade their cancellation cover to £10,000 because they were planning another long haul holiday later in the year.

Mr and Mrs B made a claim for the full cost of their cancelled trip. Great Lakes settled the claim for £10,000. They said this was because claims are assessed according to the onset date of the incident which led to it. In this case, Great Lakes said this was 26 January – the date of Mr B's father's hospital admission. At that time, Mr and Mrs B only had cancellation cover of £5,000 each.

Mr and Mrs B complained about the claim decision and about what they felt were the insensitive information requests and lack of sympathy they received from Great Lakes. Great Lakes didn't change their decision. So Mr and Mrs B brought their complaint to the Financial Ombudsman Service.

Our investigator reviewed the information provided by both parties and concluded Great Lakes didn't need to do anything different to resolve the complaint. He said Mr B's father had experienced symptoms and was hospitalised while the older policy was in force. So it was fair for Great Lakes to have settled the claim based on the pre-renewal levels of cover.

Mr and Mrs B didn't agree with the investigator's view. So the matter's been passed to me to make a decision.

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 that, I'm not upholding Mr and Mrs B's complaint. I'll explain why.

It's clear that this claim added to the stress Mr and Mrs B – particularly Mr B – experienced at what was inevitably a difficult time. I'm sorry that's the case. But I can only say Great Lakes should do something different to resolve their complaint if I don't think they've applied their policy terms fairly and reasonably to Mr and Mrs B's claim.

There's no dispute here that Mr and Mrs B had a valid claim under the cancellation cover provided by the policy. What's in issue is when that claim arose and what cover limit should apply. So that's what I'll focus on.

The policy says cancellation is covered when:

“you, a close relative, travelling companion or any person with whom you have arranged to stay during the trip suffers unforeseen illness, injury or, death.”

I appreciate Mr and Mrs B made a claim following his father's death. But the policy term doesn't only cover that – it also covers unforeseen illness. It's clear from the evidence provided during the investigation that Mr B's father was admitted to hospital on 26 January. So I'm satisfied it was at that point that an insured event occurred – notwithstanding Mr and Mrs B didn't take the decision to cancel until several days after that.

As that happened before either the renewal or the upgrade to the cover, I'm satisfied it was reasonable for Great Lakes to apply the 2023/24 cover limits and settle Mr and Mrs B's claim for £5,000 each.

I've also considered Mr and Mrs B's complaint about insensitivity. And I've noted Mr B's position that providing his father's death certificate should have been enough for Great Lakes to deal with the claim.

I've thought carefully about this. I think it would have been helpful if the correspondence sent to Mr B had explained why Great Lakes needed more than he provided. But, in relation to making a claim, the policy says:

“You may also be asked to send us additional information and documentation (we will give you advice if this becomes necessary). The nature of the documentation we need ... will depend on your individual circumstances and the type of claim you are making.”

I appreciate the information wasn't readily available to Mr and Mrs B and they had to contact third parties to try and get it. But the information provided by Mr B spans two policy periods. Mr and Mrs B made a claim after the renewal and upgrade, and submitted they had no reason to make a claim before that. So I think it was reasonable for Great Lakes to have requested information to inform their assessment about whether medical opinion supported Mr and Mrs B's view.

Those enquiries didn't identify any such evidence. And so I don't think Great Lakes need to do any more to resolve Mr and Mrs B's complaint.

My final decision

For the reasons I've explained, I'm not upholding Mr and Mrs B's complaint about Great Lakes Insurance UK Limited.

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

Helen Stacey

Ombudsman