

The complaint

Ms A and Ms A complain that Great Lakes Insurance UK Limited declined their travel insurance claim and about how it dealt with the claim. My references to Great Lakes include its agents.

What happened

Ms A and Ms A had a single trip travel insurance policy. Great Lakes is the relevant insurer. As their outbound flight from the UK was delayed they missed a connecting flight from a European city to their destination country. They had to stay in the European city for two days before their flights were rescheduled. Ms A and Ms A claimed on the policy for costs they incurred due to the delay.

Great Lakes declined the claim. Ms A and Ms A's planned connection time had been one hour 25 minutes. Great Lakes said claims due to Ms A and Ms A allowing less than two hours between connecting flights weren't covered by the policy.

Ms A and Ms A complained to us. They said they'd booked directly with the airline and chose its itinerary for the journey. The policy exclusion Great Lakes relied on wasn't mentioned when they bought the policy and the exclusion was 'buried' in the policy documents. They considered Great Lakes hadn't been transparent when dealing with the claim and it had made the process 'unnecessarily arduous'. They want Great Lakes to accept their claim and to highlight the exclusion at policy purchase.

Our Investigator said Great Lakes had unfairly relied on the exclusion to decline the claim. He recommended it reassess the claim in line with the remaining policy terms. Also, Great Lakes should also pay Ms A and Ms A £200 compensation for their distress and inconvenience due to its unfair decision.

Our Investigator explained to Ms A and Ms A that they would first need to complain to Great Lakes about its service when dealing with their claim before we could consider their complaint about that matter.

Ms A and Ms A accepted our Investigator's recommendation. Great Lakes agreed to pay the £200 compensation but queried how we thought the policy covered the claim. It wants an Ombudsman's 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.

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

Our Investigator correctly explained that Ms A and Ms A would first need to complain to Great Lakes with their concerns about its service. If Ms A and Ms A decide to do so and they can't reach agreement with Great Lakes they can make a separate complaint to us about

that matter.

My decision is about whether Great Lakes reasonably relied on the following exclusion to decline the claim, which is in the 'Missed Connection & Home Country Departure Assistance' section of the policy:

"What is not covered..."

- claims due to you allowing insufficient time to complete your journey to the departure point or allowing less than 2 hours between connecting flights".

There was less than two hours between Ms A and Ms A's scheduled connecting flights, although I note it was the airline's itinerary. So on a strict interpretation of the policy terms Great Lakes correctly said the exclusion applied if the claim was assessed under the 'Missed Connection & Home Country Departure Assistance' section of the policy. But we generally consider that a gap in cover for connecting flights is a significant exclusion that needs to be clearly brought to the policyholder's attention in the policy terms and conditions and the Insurance Product Information Document ('IPID').

The above exclusion isn't in the IPID, despite the IPID having an 'exclusion' section. I think Great Lakes didn't sufficiently highlight the exclusion to Ms A and Ms A, and it should have done so. I also think Ms A and Ms A were disadvantaged by the significant exclusion not being highlighted. This was a single trip policy and I think it's more likely than not that if the exclusion had been highlighted they would have bought alternative insurance cover.

I'm satisfied that Great Lakes unreasonably relied on the above exclusion to decline Ms A and Ms A's claim and it must reassess the claim in line with the remaining policy terms. It must also pay £200 compensation for their distress and inconvenience caused by its claim decision.

Great Lakes has accepted that the IPID didn't clearly show the limitations relating to connecting flights, and it should have done so. It's agreed to pay Ms A and Ms A £200 compensation for their distress and inconvenience caused by the lack of clarity within the policy documents.

I've seen Great Lakes' internal notes querying what policy section we're asking it to reassess the claim against. It's not for me to do the claim assessment for Great Lakes. It must reassess the claim against all the policy terms and it can ask Ms A and Ms A for any additional information it needs in making that assessment. It will need to explain its reassessed claim decision to Ms A and Ms A and if they disagree with that decision they can complain to Great Lakes and ultimately make a separate complaint to us.

My final decision

I uphold this complaint. I require Great Lakes Insurance UK Limited to:

- Pay Ms A and Ms A £200 compensation for their distress and inconvenience, as it's now agreed, and
- Reassess the claim in line with the remaining policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A and Ms A to accept or reject my decision before 24 June 2025.

Nicola Sisk
Ombudsman