

The complaint

Mrs K has complained about the way that Great Lakes Insurance SE has handled a claim she made on a travel insurance policy.

Mrs K has been represented by her son in making this complaint. However, for ease, I will just be referring to Mrs K in this decision.

What happened

Mrs K was on a trip abroad in February 2023 when she suffered a serious medical event. She had to have surgery, followed by a period of recuperation in a hotel. When she was fit to fly, she was repatriated back to the UK.

She has complained about poor service and delays in processing the claim. At the time of making the complaint to this service in August 2024, the claim had not yet been settled.

Our investigator didn't think that Great Lakes had acted reasonably. He recommended that it should pay £600 compensation for the distress and inconvenience caused and that it should provide a claim decision within 28 days of the outcome being accepted. Great Lakes accepted this recommendation.

Mrs K disagrees with the investigator's opinion as she feels that a higher amount of compensation would be appropriate for the impact Great Lakes' actions had on her. Therefore, the complaint has been passed to me for 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.

The ombudsman was established to be a quick and informal service. This doesn't mean we apply any less rigour or care in reaching our decisions. But it does mean that we might not respond to each and every point that has been raised. Mrs K has made detailed submissions in support of her complaint. Although I will not be addressing them of all, I would like to assure her that I have read and considered everything that has been provided.

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.

Looking at the available evidence, I consider it clear that there were some shortcomings in the service provided. Mrs K has faced a number of issues and obstacles during the claims process, including:

- Being sent an outpatient medical form instead of an inpatient form.
- Being repeatedly asked for information that had already been submitted.
- Two claims being mistakenly set up which then needed to be merged.
- Being asked for specific information that should have been apparent from documentation already provided, such as what currency transactions were made in.
- Issues with operating and uploading documents to the online portal.
- Issues with the flight home, such as Mrs K's fit to fly status and dietary requirements not having been communicated to the airline.

I'm satisfied that the above issues caused distress and inconvenience to Mrs K. The matter at hand is what would be an appropriate level of compensation for the errors that occurred.

Mrs K says there have been some long-lasting consequences. For example, she's developed a phobia of flying as a result of her traumatic flight experience, and she's receiving counselling and taking medication to help her sleep. However, I'd need to be persuaded that these issues have arisen solely as a result of Great Lakes claims handling, as opposed to being related to the wider traumatic experience of becoming ill abroad or any other life events. On balance, I'm unable to conclude that's the case.

Having said that, Mrs K lives with anxiety and depression. Suffering a serious medical event and having to undergo surgery abroad must have been frightening and made her feel very vulnerable. Therefore, having to deal with a claim that isn't running smoothly, and then a complaint, in addition to all of that must have been very stressful. I have a great deal of sympathy for her situation and I can certainly understand why she feels that a higher level of compensation would be appropriate. However, as an alternative dispute resolution service, our awards are more modest than she might expect and likely less than a court might award. I'm also mindful that her sons were dealing with most of the claim on her behalf. Overall, I'm satisfied that £600 is reasonable and proportionate compensation for the impact of the poor claims handling.

As I understand it, matters have moved on slightly and Great Lakes says it's now in a position to settle the claim, subject to acceptance by Mrs K. If she is unhappy with any aspect of the claims settlement, she would be able to make a new complaint in relation to that.

My final decision

For the reasons set out above, I uphold the complaint and require Great Lakes Insurance SE to pay £600 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 22 July 2025.

Carole Clark
Ombudsman