

## **The complaint**

Mr K is unhappy that Great Lakes Insurance UK Limited decided to remove cover for pre-existing conditions on his travel insurance policy.

## **What happened**

Mr K had an annual travel insurance policy which covered him for a number of pre-existing medical conditions. He developed a new medical condition, which he was being treated for. Mr K contacted Great Lakes to let them know and they amended the policy to exclude Mr K's medical conditions. Mr K was unhappy with this and because the updated screening had to be carried out over the phone. He complained to Great Lakes.

In their final response letter Great Lakes said that they'd exclude the conditions until Mr K had visited the consultant and they'd have asked for an update at the point. They said the underwriters were entitled to withdraw cover and referred Mr K to the relevant policy wording. They offered Mr K the option to cancel the policy and receive a pro-rata refund from the date the medical conditions were excluded. They also confirmed that their process was for the medical screening to be carried out by phone. Unhappy Mr K complained to the Financial Ombudsman Service.

Our investigator looked into what happened and initially partly upheld the complaint. However, following further representations he concluded that Great Lakes had acted fairly by excluding the conditions and offering a refund. And he thought it was reasonable that Mr K had been asked to complete the new screening via phone.

Mr K didn't agree and asked an ombudsman to review his complaint. He referred back to representations previously made to the investigator in May 2025 and confirmed that the calculation of the pro-rata refund of the premiums wasn't in dispute. In summary, the representations in May 2025 focused on there being no requirement, including contractually, for Great Lakes to deal with the screening over the phone. Mr K also explained why he felt that a full refund of the premiums was appropriate and suggested that compensation should be increased should the complaint not be settled as it would increase his workload.

So, the complaint was referred 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.

At the outset I acknowledge that I've summarised this complaint in far less detail than Mr K has, and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

The rules that govern our service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it.

I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory remit.

The starting point is the policy terms and conditions which say:

If after you purchase your policy, or before booking any new trips, any of the following happens:

- you are diagnosed with a new medical condition
- your doctor, or consultant changes your prescribed medication
- you receive inpatient medical treatment
- you are now awaiting a diagnosis, investigation, test results or medical treatment

then you must contact Staysure Customer Services. A member of the team will ask you specific questions about your medical condition(s).

This may result in an additional premium to allow cover to continue, to add additional Terms and Conditions to your policy or to exclude cover for the newly diagnosed condition or for the condition that has undergone significant change.

If we are unable to continue to provide cover, or if you do not wish to pay the additional premium you will be entitled to make a claim under Section 1 (Cancellation) for costs which cannot be recovered elsewhere for trips booked prior to the change in health.

Alternatively, you will be entitled to cancel your policy, in which case, we will refund a proportionate amount of your premium.

I'm not upholding Mr K's complaint because:

- I've looked at the underwriting information provided. It shows that, in such circumstances, the cover would have been declined. However, the underwriter agreed to wait to see what the position was when Mr K had more clarity from his treating team about his condition. I think that was reasonable in the circumstances.
- Great Lakes said they wouldn't cover any trips until this was resolved. I think that was reasonable as Mr K wasn't entitled to cover, based on the underwriting criteria.
- Mr K was given the option to cancel the policy and receive a pro-rata refund from the date that the conditions were excluded. I think that was fair and reflects the policy terms.
- I appreciate that Mr K wants a full refund but I don't think that's fair and reasonable. Mr K chose an annual policy, as he intended to make multiple trips. During the life of the policy Great Lakes was carrying the risk of Mr K making a claim against the policy. That fact that Mr K didn't need to utilise cover doesn't mean he's entitled to a refund. It's a general principle of insurance that an insurer is entitled to retain premiums where it's accepted the risk presented. So, Mr K's representations haven't persuaded me that a full refund is fair and reasonable in the circumstances of this case.

- I'm not persuaded that Mr K was treated unfairly because he was required to carry out the medical screening over the phone, even though some correspondence with Great Lakes (including agents acting on their behalf) took place via email. I appreciate that wasn't Mr K's preference, but it was Great Lakes usual process.
- It's not for the Financial Ombudsman Service to tell a business what their usual processes should be. Great Lakes explained the reasons why the screening is completed by phone, which I think are reasonable. There may be circumstances in which I'd expect Great Lakes to step outside that process, where it's appropriate to do so. However, I've seen no persuasive or compelling evidence that it was appropriate to do so in the specific circumstances of this case. I've also taken into account that Mr K initially completed the screening by phone and that there's no persuasive evidence to indicate that he couldn't have carried out the assessment by phone.
- As I don't consider that Great Lakes have treated Mr K unfairly, I don't think they need to pay him any compensation. I think their offer to Mr K a pro-rata refund of the premiums from the point at which the conditions were excluded is fair and reasonable.

### **My final decision**

Great Lakes Insurance UK Limited has already made an offer to pay Mr K a pro-rata refund of the premiums to Mr K to settle the complaint and I think that's fair in all the circumstances.

My final decision is that Great Lakes Insurance UK Limited should pay £373.92 to Mr K if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 August 2025.

Anna Wilshaw  
**Ombudsman**