

The complaint

Mr R and Mrs R complain that Great Lakes Insurance UK Limited declined their travel insurance claim. My references to Great Lakes include its agents.

What happened

Mr R and Mrs R had single trip travel insurance, Great Lakes was the insurer for the relevant policy sections. They were due to fly from Heathrow airport at 8:25am to arrive at a European city late morning then take a coach transfer to catch a six day cruise which departed at 5pm. But after they'd checked-in at Heathrow the flight was cancelled. The airline offered an alternative flight at 7:05pm the same day, which wasn't suitable for Mr R and Mrs R as they would have already missed the cruise departure.

Mr R and Mrs R said they tried to phone Great Lakes to ask what they should do but it was closed, although the policy paperwork they had said it was open on a Saturday. They decided to recoup some part of the trip by flying from Gatwick that day so they could pick up the cruise ship at a port later in the cruise. They bought tickets for the flight from Gatwick and boarded a coach from Heathrow to Gatwick but traffic delays meant they missed the flight. They felt they had no choice but to abandon the trip and returned home. They claimed on the policy for their unrefunded lost and additional costs.

Great Lakes declined the claim. It referred to the 'Travel delay and abandonment' section of the policy and said the claim wasn't covered as Mr R and Mrs R weren't delayed by 12 or more hours from their original departure at Heathrow or at Gatwick.

Mr R and Mrs R complained to us that Great Lakes had unfairly declined their claim. In summary they said:

- Great Lakes wrongly kept referring to their flight as having been delayed, but the flight had been cancelled. They believe their claim is covered under the cancellation and cutting short your trip wording in the policy.
- If Great Lakes was only considering delay then even if they had been able to get the flight from Gatwick the start of their cruise would have been delayed by more than 12 hours.
- It was unreasonable for Great Lakes to expect them to take the 7.05pm flight from Heathrow as they would have been stranded at the European airport.
- The policy wasn't 'fit for purpose' and was mis-sold as they had specifically taken out cruise cover.

Our Investigator considered that Great Lakes had fairly declined the claim as the time between the original flight and the replacement flight was less than a 12 hour delay. She explained why the claim wasn't covered by the 'Cancellation' or 'Curtailement' sections of the policy.

Mr R and Mrs R disagreed and wanted an Ombudsman's decision. In addition to their previous points they queried why their situation wasn't covered by the 'Missed departure' section of the policy.

What I provisionally decided – and why

I made a provisional decision that I was intending to uphold the complaint and require Great Lakes to reassess the claim. I said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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

Mr R and Mrs R have referred to the following wording in the two page Insurance Product Information Document (IPID), which they say means their claim is covered:

'Cancellation – up to £3,000

Cutting Short Your Trip – up to £3,000'.

But the IPID is clear that it's only intended to provide a summary of the main cover and exclusions and the full policy terms are in the policy documents.

Our Investigator correctly explained that the claim wasn't covered under the 'Cancellation' and 'Curtailed and loss of holiday' sections of the policy. Those sections only apply when a trip is cancelled or curtailed (cut short) due to the specific insured reasons listed in the policy document. Flight cancellation, missed connections or difficulties rearranging travel aren't listed as insured reasons under those sections.

Whether the original flight is described as being cancelled or delayed doesn't make a difference to the outcome of the claim. Great Lakes reasonably assessed the claim for the lost costs under the 'Travel delay and abandonment' section of the policy which says Great Lakes will:

'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...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.*

What is covered

- 1. Travel delay benefit for each complete 12 hours of delay.*
- 2. In the event that You decide to abandon Your outward trip, the cost of:*
 - a. Your unused non-refundable pre-booked travel and accommodation expenses which You have paid or are contracted to pay; and*
 - b. Your unused non-refundable pre-booked airport parking, car hire, airport lounge pass and excursions which You have paid or are contracted to pay...'*

Those policy terms mean that if Mr R and Mrs R were delayed from departing from Heathrow (the first departure point on their outward journey) for at least 12 hours due to adverse weather conditions, strike or industrial action or mechanical breakdown they could claim for abandonment of their holiday.

Those policy terms don't say there's cover for the start date of their cruise being delayed, had they been able to get the Gatwick flight. The policy terms are specific about the delay having to be from their '*first departure point on Your outward journey*'. As the original cancelled flight was due to depart at 8.25am and the airline offered a replacement flight that was to depart at 7.05pm the delay would have been less than 12 hours. So on a strict interpretation of the policy terms Great Lakes correctly said the claim wasn't covered by the policy terms.

But I also have to consider what's fair and reasonable in all the circumstances. If Mr R and Mrs R had taken the 7.05pm flight offered then the cruise, which was the purpose of the trip, would have already departed two hours before they'd left the UK. So there was no reason for Mr R and Mrs R to take the alternative flight the airline offered.

I've also taken into account that Mr R and Mrs R tried to minimise the loss and join the cruise at another port at a later date. I've seen evidence that when they knew the original flight had been cancelled they booked the flight from Gatwick to the relevant destination for the afternoon of the same date they were due to travel. I've also seen evidence that the coach they took from Heathrow to Gatwick should have taken 55 minutes so they should have arrived well within the time needed to check-in at Gatwick. They say due to very bad traffic delay they were unable to get to Gatwick in time for the flight, and I've no reason to doubt that.

I think in these particular circumstances it would be fair and reasonable for Great Lakes to reassess the claim under the 'Travel Delay and abandonment' section of the policy as if Mr R and Mrs R had been delayed for 12 hours in line with the remaining policy terms.

Mr R and Mrs R have queried why the claim wouldn't be covered under the 'Missed departure' section of the policy. Under that section the policy says Great Lakes will:

'Provide to each Insured Person in total per Insured Journey, up to the sum insured shown in the "Table of Benefits", in the event that You arrive too late (as shown on Your ticket) to board Your pre-booked scheduled Public Transport at Your last departure point on Your outward journey...as a result of:

- 1. Scheduled Public Transport services failing to get You to Your last departure point due to Strike or Industrial Action, adverse weather conditions (but not those defined as a Catastrophe), mechanical failure or Your direct involvement in an accident; or*
- 2. The private motor vehicle in which You are travelling being directly involved in an accident or breaking down; or*
- 3. A delay involving the vehicle in which You are travelling due to unexpected and unforeseen heavy traffic or road closures that were sufficiently severe to warrant reporting on a recognised motoring association web site, Highways Agency website, on television, news bulletins or in the press.*

What is covered

- 1. Your reasonable and necessary additional travel and accommodation expenses (room only) of a similar standard to the original booking, to allow You to reach Your trip destination or catch up on Your scheduled itinerary (for missed departure on Your outward journey)...*

The policy defines 'Public Transport' as '*Any publicly licensed train, tram, bus, coach, ferry service or airline flight operated according to a published timetable*' – so the cruise ship isn't

'Public Transport'. The purpose of the 'Missed departure' section is to provide cover where a policyholder has incurred additional travel and accommodation costs so they can reach their trip destination or catch up on their scheduled itinerary having missed their 'Public Transport' at the last departure point for an insured reason. So the lost costs due to Mr R and Mrs R having missed their cruise ship departure aren't covered under this section of the policy.

However, if Great Lakes doesn't reassess the claim as successful under the 'Travel delay and abandonment' section of the policy I think it would be reasonable for it to consider the additional costs Mr R and Mrs R incurred to try to catch up on their cruise under the 'Missed departure' section of the policy.

Mr R and Mrs R thought they'd be covered as they bought the optional cruise cover. But the cruise cover provides cover in relation to missed ports, excursions, or cabin confinement. It doesn't extend to missed departures due to flight cancellations.

Even if the claim wasn't covered by the remaining policy terms that doesn't have to mean the policy was mis-sold to Mr R and Mrs R. But if they have concerns about the sale of the policy they will first need to complain to the business which sold the policy to them. If agreement couldn't be reached they can then complain to us about that matter'.

Responses to my provisional decision

Great Lakes said it had sent my provisional decision to its claims team.

Mr and Mrs R said they accepted my provisional decision and hoped they would get back all the costs they claimed. They wanted to add that on the first weekday of what would have been their holiday they phoned Great Lakes to ask if they would be covered. They thought from what Great Lakes said that they would be covered. If Great Lakes had been unsure or said no they could have tried to join the cruise later that week but didn't do so based on what it told them.

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.

Mr and Mrs R accept my provisional decision. At the time I'm making this decision we haven't heard from Great Lakes with a full response to my provisional decision and it's after the response date. So it's reasonable for me to make a final decision on the information I have. I've no reason to change my mind so for the reasons I've given in my provisional decision I think in these particular circumstances it would be fair and reasonable for Great Lakes to reassess the claim under the 'Travel Delay and abandonment' section of the policy as if Mr R and Mrs R had been delayed for 12 hours, in line with the remaining policy terms.

Also for the reasons I've given in my provisional decision if Great Lakes reassess the claim as not covered by the 'Travel delay and abandonment' section it must reassess the additional costs Mr R and Mrs R incurred to try to catch up on their cruise under the 'Missed departure' section of the policy.

When Great Lakes makes its reassessment Mrs and Mr R want it to consider the issue they've raised about the cover information it gave them when they called. Great Lakes should explain to them what costs are and aren't covered and why. If Mr and Mrs R disagree with Great Lakes' reassessment they can complain to it and ultimately make a separate complaint to us.

My final decision

I uphold this complaint and require Great Lakes Insurance UK Limited to reassess Mr R and Mrs R's claim under the 'Travel delay and abandonment' section of the policy as if they had been delayed for 12 hours.

If Great Lakes Insurance UK Limited reassess the claim as not covered by the 'Travel delay and abandonment' section it must reassess the additional costs Mr R and Mrs R incurred to try to catch up on their cruise under the 'Missed departure' section of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 1 August 2025.

Nicola Sisk
Ombudsman