

The complaint

Mr B and Miss G complain that Great Lakes Insurance UK Limited has unfairly declined their travel insurance claim.

What happened

Mr B and Miss G booked a trip to go abroad, travelling to a country I'll call 'M'. They took out a single trip travel insurance policy which was insured with Great Lakes. Unfortunately, before their trip, Miss G became unwell and they had to cancel their holiday. So they made a claim for the cost of the trip.

Great Lakes declined their claim. It said that the policy that was purchased didn't include cover for trips to M and therefore any claims relating to a trip to that country would be excluded – including those for cancellation of the holiday. Mr B and Miss G said that not including cover for M was their mistake, although they did think that Worldwide should mean cover is provided for all countries. And they realised that, if they had travelled, any claims that may have arisen wouldn't have been covered. But they didn't think it was fair for a claim for a cancelled holiday to be excluded. They complained but Great Lakes didn't alter its stance.

The complaint was brought to our service and an Investigator looked into the matter. He didn't uphold the complaint. He said that it was clear on the policy schedule that cover to M wasn't included and therefore it was reasonable for the claim made on the policy for that destination to be declined.

Mr B and Miss G disagreed with our investigator's opinion and so the complaint has been passed to me to decide.

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 relevant rules and industry guidelines say that insurers must handle claims fairly and promptly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances Mr B and Miss G's complaint.

Great Lakes have declined Mr B and Miss G's claim for their cancelled holiday as they say they haven't purchased the correct level of cover for the country they were due to visit. I've firstly looked at the policy certificate that was issued to Mr B and Miss G after they took out the cover. And I can see on the first page it states that the destination covered is worldwide but excluding certain countries. The list of excluded countries includes M. So, I think it was made suitably clear which level of cover Mr B and Miss G had purchased.

I've also reviewed the Insurance Product Information Document ('IPID'). In relation to the areas that the insurance covers, it states:

“You can select the area of cover that is most appropriate for your travel plans. Cover will not apply if you travel outside the area that you have chosen. The area you have chosen will be shown on your insurance confirmation.”

I’m satisfied that this statement explains that you need to purchase cover for the country you are travelling to in order to be able to make a valid claim.

As Mr B and Miss G were due to be travelling to a country that wasn’t included in the list of covered countries they had selected, I’m not persuaded that Great Lakes has acted unfairly or unreasonably when deciding to decline the claim.

Mr B and Miss G have said they accept they made a mistake when buying the policy, but they don’t think their claim should be declined. They have said that as they cancelled the trip, they didn’t leave the UK. So, they think the claim should be paid.

I appreciate the point Mr B and Miss G are making but I don’t think this makes a difference to my outcome. As I’ve explained above, Mr B and Miss G were due to travel to a country for which they hadn’t purchased the right level of cover. An insurer is entitled to decide what risks it is prepared to cover and the level of premium it will charge, based on those risks. Great Lakes has made the decision to have different levels of cover, dependent on the country to be visited. I’m persuaded that it has been made sufficiently clear that cover won’t be provided nor any claims paid, if you fail to take out the correct level of cover for the country you are visiting. And I’m satisfied that this applies across all sections of the policy, including claims for cancellation.

I understand that the cause of the cancellation was beyond their control and so I appreciate this will be a disappointing outcome for Mr B and Miss G. But despite my natural sympathies for the situation they have found themselves in, I’m satisfied that Great Lakes has acted fairly when declining their claim. I don’t require Great Lakes to do anything more.

My final decision

As detailed above, I don’t uphold this complaint.

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

Jenny Giles
Ombudsman