

The complaint

Mr and Mrs K complain that Great Lakes Insurance UK Limited declined their travel insurance claim. My references to Great Lakes include its claims handling agent.

What happened

Mr and Mrs K's return flight to the UK was cancelled due to a fire causing a power outage and major disruption at the destination UK airport. Mr and Mrs K had to stay abroad for four extra nights and they had to pay for additional accommodation, airport transfers, phone calls to Great Lakes and other expenses. The airline paid for their new flight home but didn't cover their other additional costs. They claimed for the costs on their travel insurance policy. Great Lakes was the insurer for the relevant section of the policy.

Great Lakes declined the claim. It said the delay due to airport infrastructure failure wasn't an insured event under the 'Travel delay and abandonment' section of the policy.

Mr and Mrs K complained to us. In summary they said:

- Great Lakes interpreted the policy wording too narrowly. The power outage at the UK airport was a 'specific unforeseen event' that resulted in an unavoidable delay. Although the policy wording gave specific insured events like mechanical breakdown or strikes, the wording didn't clearly exclude other types of disruption.
- It was reasonable for Great Lakes to cover a major, externally caused airport disruption that resulted in flight cancellation and added costs.
- They'd been caused financial stress and anxiety at the end of their trip, particularly as Mrs K has a health condition (which they named). They'd taken out travel insurance in 'good faith' and feel unsupported in a situation outside of our control.
- They want Great Lakes to pay the additional costs they incurred.

Our Investigator considered that Great Lakes had reasonably declined the claim.

Mr and Mrs K want an Ombudsman's decision. In summary they added:

- They'd taken out a top rated insurance policy to protect themselves from unusual and significant disruptions like this one.
- They want at least a 'goodwill gesture' from Great Lakes to reflect the unusual nature of the event and the gap between their expectations of comprehensive cover and the actual cover of the policy. Great Lakes could have taken a broader, more 'customer-centric' view of the situation.
- The policy exclusion cited by Great Lakes to decline the claim is a significant and unusual exclusion that removes cover for a type of travel disruption - regulatory or infrastructure-led airport shutdowns. They referred to an Ombudsman's decision which they said supported that significant and unusual exclusions restricting travel delay and other matters needed to be highlighted. The exclusion Great Lakes relied on wasn't highlighted to them at the point of sale of the policy so it wasn't fair for

Great Lakes to rely on the exclusion. If it had been highlighted they would have either chosen a different policy or upgraded to include travel disruption cover.

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.

I've considered all the points Mr and Mrs K have made including in their emails to us setting out why they want an Ombudsman's decision. I won't address all their points in my findings because I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome 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. I'm sorry to disappoint Mr and Mrs K but I'm satisfied that Great Lakes reasonably declined the claim. I'll explain why.

The relevant policy wording is under the 'Travel delay and abandonment' section which says:

'This section of the Policy sets out the cover We 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 or Your last departure point on Your return 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'.*

The cause of Mr and Mrs K's flight delay/cancellation was a fire then power outage at the destination airport. As their flight delay/cancellation wasn't caused by adverse weather conditions, strike or industrial action or the mechanical breakdown of their plane Great Lakes correctly said the cause of the claim wasn't covered by the policy wording for travel delay. Great Lakes correctly declined the claim in line with the policy wording.

I've also considered what's a fair and reasonable outcome in all the circumstances of the claim.

Great Lakes doesn't need to give a list of scenarios that aren't covered for travel delay. I'm satisfied the policy is clear that travel delay is only covered if due to the above three insured events.

Mr and Mrs K say that Great Lakes couldn't fairly rely on the following exclusion under the 'Travel Delay and abandonment' policy section:

'Any claim arising as a result of the withdrawal from service (temporary or otherwise) of an aircraft or sea vessel on the recommendation or instruction of the Civil Aviation Authority or a Port Authority or any such regulatory body'.

I can't see that Great Lakes relied on that exclusion to decline the claim, but it didn't need to. The starting point for cover is whether Mr and Mrs K's flight delay/cancellation was caused by one of the three insured events, and it wasn't. It's only when the cause of the claim is due

to one of the three insured events that Great Lakes needs to then look to see if a policy exclusion applies.

I've considered the decision made by my Ombudsman colleague that Mr and Mrs K referred to. The decision is about completely different circumstances to Mr and Mrs K's claim and doesn't support their complaint. We generally do say that some exclusions need to be highlighted to consumers at the point of policy sale. But Great Lakes didn't need to rely on an exclusion to decline Mr and Mrs K's claim.

Mr and Mrs K say they thought the policy would cover such an unexpected and major event as happened with them. They also think that as a top rated policy the event should be covered. But travel insurance doesn't cover every scenario a consumer will face. It's for insurers to decide what risks they want to insure, and the risks Great Lakes wants to insure for travel delay are clearly set out in this policy. The insured events for travel delay in this policy aren't unusual for travel insurance policies.

I appreciate Mr and Mrs K were upset and inconvenienced by the delay and the extra expenses they incurred through no fault of their own. I understand that the disruption and uncertainty caused by the delay was very difficult for Mrs K in particular. It's a matter for Great Lakes to decide if it wants to make a 'goodwill payment' to Mr and Mrs K. As I'm satisfied Great Lakes reasonably declined the claim I can't fairly tell it to make any payment of their claim. I only award compensation for distress and inconvenience when that's been caused by the unreasonable action of an insurer. Great Lakes hasn't acted unreasonably and there's no basis for me to say it has to pay compensation to Mr and Mrs K.

My final decision

I don't uphold this complaint.

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

Nicola Sisk
Ombudsman