

The complaint

Mr and Mrs L are unhappy with how their claim was handled by Great Lakes Insurance UK Limited.

What happened

Mr and Mrs L have a travel insurance policy underwritten by Great Lakes.

They went on a trip abroad and their journey home was disrupted causing them to miss two flights.

Their first flight from Cusco to Lima was delayed by three hours which meant they missed their connecting flight from Lima to Madrid. And their final flight to their home destination.

They submitted a claim on their policy and Great Lakes agreed to cover £1000 of costs under the 'Missed connection' section of the policy.

Mr and Mrs L said the benefit wasn't enough to cover the total costs they'd incurred. They said Great Lakes should consider the claim under the 'Missed departure' section of the policy instead.

Our investigator looked at what had happened. She said Great Lakes had fairly settled the claim under the relevant policy terms and she thought the £100 compensation they'd offered was reasonable for the poor communication Mr and Mrs L had received from them.

Mr and Mrs L disagreed. They disputed when their journey home started and said their flights were with different airlines so shouldn't be considered "connecting".

The case 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 IPA has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

Travel insurance policies unfortunately don't cover every eventuality. Insurers decide what risks they are prepared to cover.

Missed departure

Mr and Mrs L argue that their claim should be considered under the 'Missed Departure' section of cover.

The relevant policy terms say:

What is covered:

We will pay you up to £500 for Basic cover and £1,500 for Comprehensive and Signature cover, for reasonable additional travelling and accommodation expenses necessarily incurred to reach your overseas destination or to return to your home country by the most direct route.

If you arrive at the airport, port of international coach or rail terminal too late to commence the first part of your pre-booked international trip, as a result of:

a. breakdown of or accident directly involving the vehicle which you are travelling:

or,

b. cancellation or curtailment of scheduled public transport due to adverse weather conditions, strike, or industrial action, or mechanical breakdown, or accident.”

Mr and Mrs L didn't miss their departure from Lima or Madrid due to either of the two reasons listed under (a) or (b) above. So I'm satisfied this section of cover doesn't apply to their claim.

It's not in dispute that the reason Mr and Mrs L missed their flights was because their first flight from Cusco was delayed by 3.5 hours, and this had a knock on effect to the rest of their journey home. Although I appreciate how frustrating this is, this situation just isn't something that is covered under the missed departure section of Mr and Mrs L's policy.

I'm also mindful this section of cover only applies for the first part of a pre-booked journey home. Mr and Mrs L says it's unfair to say their journey home commenced from Cusco. But I disagree. I think it was reasonable for Great Lakes to conclude the delayed flight from Cusco was the first part of their pre booked journey so this is another reason the claim wouldn't be covered under this section of the policy.

Missed Connection

Great Lakes settled the claim under the 'Missed Connection' section of the policy. I think this was the right thing to do because Mr and Mrs L's flight from Cusco to Lima was delayed which resulted in them missing their two other connecting flights home.

The policy terms say:

What is covered

We will pay up to the amount shown in the table of benefits, for the level of cover shown on your validation certificate for costs insured should you be delayed or miss your connection as follows:

If your air, sea, coach or rail carrier is delayed as a result of disruption, cancellation, delay, suspension. Failure, or alteration of a breakdown or accident immobilising the vehicle in which you are travelling and you miss your pre-booked travel connection by scheduled public transport ...

Great Lakes fairly settled Mr and Mrs Ls' claim in line with the terms above and up to the amount shown in their table of benefits under this section of the policy.

They also reviewed the claim again under 'Section Extended delay benefit' which says:

What is covered

If the departure of the schedule public transport on which you are booked to travel is delayed for more than 12 hours at the departure point for either: a pre-booked connection within the United Kingdom, your outbound international departure, or your return journey to your home we will pay a benefit of £20 for the first completed 12 hours delay and £10 for each full 12 hours delay after that, up to a maximum of £100 provided you eventually use your original booked scheduled public transport.

Mr and Mrs L told Great Lakes they were delayed for 15 hours so Great Lakes paid them £40 to recognise the time they were delayed. This is the maximum benefit for the first completed 12 hours delay so Great Lakes doesn't need to do anything further to settle the claim. I say that because I'm satisfied Great Lakes has handled Mr and Mrs L's claim fairly and paid them benefit in line with the policy's terms and condition.

Mr and Mrs L are also unhappy with the customer service they received during the claim. They said they received misleading advice and had to chase Great Lakes for updates.

Great Lakes acknowledged there were problems with their communication and offered £100 compensation to Mr and Mrs L. In my view, this is a fair and proportionate remedy to recognise any distress or inconvenience their actions caused.

I appreciate this will be disappointing for Mr and Mrs L because they remain out of pocket, but I couldn't reasonably ask Great Lakes to do anything more here.

My final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 28 October 2025.

Georgina Gill
Ombudsman