

The complaint

Ms P and Ms P1 complain that Great Lakes Insurance UK Limited declined their claim against their travel insurance policy. Reference to Great Lakes includes its agents.

What happened

Ms P and Ms P1 had a single trip travel insurance policy underwritten by Great Lakes. Their return flight was cancelled because of a fire which led to a power outage at the airport they planned to arrive at. Ms P and Ms P1 stayed an additional night at their destination.

Ms P and Ms P1 made a claim against their travel insurance policy in relation to additional costs. Great Lakes declined their claim. It said what happened here wasn't covered by the travel delay and abandonment provisions in the policy. Ms P and Ms P1 asked Great Lakes to consider their claim against the cancellation provisions. Great Lakes maintained that what happened here wasn't covered by the policy.

Ms P and Ms P1 say Great Lakes has interpreted the policy narrowly and the causes of travel delay and abandonment listed in the policy aren't exhaustive. They say there's no exclusion in the policy which relates to their claim. Ms P and Ms P1 say Great Lakes hasn't acted fairly. They say their delay was well over the 12 hours mentioned in the part of the policy which covers travel delay and abandonment, which strengthens their position that the disruption falls within the spirit and intention of the cover.

One of our Investigators looked at what had happened. She didn't recommend that the complaint be upheld. The Investigator considered the relevant sections of the policy and said what happened here wasn't covered.

Ms P and Ms P1 didn't agree with the Investigator. They say the policy wording is ambiguous; what happened here is equivalent to '*mechanical breakdown of public transport*' referred to in the policy; there's no exclusion relevant to their claim and they had a reasonable expectation that their claim would be covered. Ms P and Ms P1 say Great Lakes' decision to decline their claim has caused them significant financial and personal inconvenience. They say this service has previously recognised that insurers shouldn't rely on a narrow interpretation of policy wording where the effect is equivalent to an insured peril.

The Investigator considered what Ms P and Ms P1 said but didn't change her view. Ms P and Ms P1 asked that an Ombudsman consider their complaint, so it was 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.

I've taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say Great Lakes has a

responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers. I don't uphold this complaint and I'll explain why:

- Travel insurance isn't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general, and as long as consumers are treated fairly, insurers can decide which risks they wish to accept and the terms on which they're willing to do so.
- The onus is on Ms P and Ms P1 to show the claim falls under one of the agreed areas of cover within the policy. We look at the policy terms to determine what's covered in the first instance. We don't rely on the cover Ms P and Ms P1 say they expected.
- In her exchanges with Great Lakes, Ms P1 said the claim should be considered against '**Section 2: Cancellation**'. The Investigator set out the relevant part of the policy in her e-mail of 18 August 2025, so I won't repeat that here. The policy covers cancellation of a trip in certain, specified circumstances. The circumstances are those we commonly see in policies of this type and don't include what happened here. In any event, Ms P and Ms P1's *trip* wasn't cancelled. I don't think Great Lakes treated Ms P and Ms P1 unfairly or unreasonably in declining their claim against this part of the policy.
- I think Ms P and Ms P1's claim was considered correctly against '**Section 11: Travel delay and abandonment**', the relevant part of which says as follows:

[...]

*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 a least 12 hours from **Your** original scheduled departure time from [...] **Your** last departure point on **Your** return journey as a result of:*

1. *Adverse weather conditions (but not those defined as **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; and
 - c. **Your** unused non-refundable visa, ESTA [...] or other relevant travel permission which **You** have paid.

[...]

- I don't agree that the policy wording is ambiguous. I think the policy sets out clearly the events leading to delay in departure covered by the policy. I don't think the three events shown are merely examples: I think they are the risks Great Lakes chose to cover in this part of the policy.

- Ms P and Ms P1 say what happened here is equivalent to the mechanical breakdown of their flight. The effect on Ms P and Ms P1 may be the same in both events but they are dissimilar in terms of risk to an insurer. Great Lakes chose to cover the risk of the mechanical breakdown of Ms P and Ms P1's flight. It didn't choose to cover the risk of delay or abandonment caused by a power outage at an airport which led to the cancellation of many flights: that is a much greater risk. I don't think it would be fair and reasonable to direct Great Lakes to treat what happened here as mechanical breakdown of Ms P and Ms P1's flight.
- Great Lakes hasn't relied on an exclusion in the policy. We wouldn't expect an insurer to list everything that's not covered by the policy. As I've said above, it's for Ms P and Ms P1 to show the claim falls under one of the agreed areas of cover within the policy. I don't think they've done that here.
- Even if I reached a different conclusion about the cover provided by the policy, '**Section 11: Travel delay and abandonment**' doesn't cover *additional* accommodation and travel costs. It covers travel delay benefit for each 12 hours of delay, up to the sum insured as shown in the table of benefits and, if an outward trip is abandoned because of the delay, certain unused costs. Ms P and Ms P1 didn't abandon their outward trip.
- I've considered the remaining sections of the policy and there's no cover for what happened here. I think Great Lakes declined Ms P and Ms P1's claim in accordance with the terms and conditions of the policy.
- I've gone on to consider whether that leads to a fair outcome in this case. I have sympathy for Ms P and Ms P1's position: they incurred additional expenses through no fault of their own. But in the particular circumstances of this case, there are no grounds on which I can fairly direct Great Lakes to settle Ms P and Ms P1's claim. I don't think it would be fair and reasonable to direct Great Lakes to settle a claim caused by a substantial risk it didn't agree to cover.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P and Ms P1 to accept or reject my decision before 10 October 2025.

Louise Povey
Ombudsman