

The complaint

Mr C and Mrs G complain about the settlement Great Lakes Insurance UK Limited (Great Lakes) has paid to settle the claim they made under their contents insurance policy.

This complaint has been brought by both Mr C and Mrs G, but as Mr C has been leading in this complaint, and for ease, I've referred to him throughout.

What happened

The circumstances of this complaint will be well known to all parties and so I've summarised events.

In March 2024 Mr C's contents were unfortunately destroyed following a fire at his property. He submitted a claim under his contents insurance policy with Great Lakes. In November 2024 Mr C raised a complaint as he was unhappy with the length of time his claim was taking to be settled.

In the meantime, Great Lakes wrote to Mr C to offer a settlement of around £385,000 for his contents. It said the items Mr C had said were gifted as part of his wedding fell outside the policy cover relating to wedding gifts. Mr C raised a further complaint about the settlement he had been offered. He said his policy schedule showed he had unlimited cover for wedding gifts and there was no further explanation of this within the policy terms.

On 3 January 2025 Great Lakes issued Mr C with a final response to his complaint about claim delays. It said whilst its enquiries were necessary there were occasions where it could have responded earlier or chased matters up sooner. It offered to pay Mr C £100 compensation.

On 8 May 2025 Great Lakes issued Mr C with a final response to his complaint about the claim settlement. It said it was unable to increase the settlement offer it had made as the wedding gifts Mr C had claimed for would be considered valuables which were subject to policy limits. Mr C referred his complaint to this Service.

Our Investigator looked into things. She said she thought Great Lakes had offered Mr C a fair settlement and that the £100 compensation Great Lakes had offered was reasonable in the circumstances.

Mr C didn't agree with our Investigator. He said his policy provides unlimited cover for wedding and religious gifts, and there is no definition of this in the terms of the policy.

As the complaint remained unresolved, 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.

I want to acknowledge I've summarised Mr C's complaint in less detail than he's presented

it. I've not commented on every point he has raised. Instead, I've focused on what I consider to be the key points I need to think about. I mean no courtesy by this, but it simply reflects the informal nature of this Service. I assure Mr C and Great Lakes I've read and considered everything that's been provided.

The relevant rules and industry guidelines explain Great Lakes should handle claims fairly.

The terms of Mr C's policy explain Great Lakes will cover loss or damage to valuables as a result of a fire. Mr C's policy schedule shows he has a policy limit of £40,000 for valuables in the home and a single item limit for valuables of £3,000. It also shows Mr C hasn't specified any valuables under his policy.

Mr C's policy schedule also shows he has unlimited cover for, '*Wedding, Civil Partnerships, Birthday Gifts, and Contents purchased as result of a Religious Festival.*'

Mr C has said his policy documents don't include any further information about this cover. However, I can see his policy schedule provides detail about the policy document which applies to his policy, and I can see this policy document does include information about this cover. The policy document states:

'What is covered'

33) Wedding, civil partnership, birthday gifts, and contents purchased as a result of a religious festival.

Loss of or damage to wedding, civil partnerships, birthday gifts and contents purchased as a result of a religious festival by covers 1-14 and 16 if the Contents Accidental Damage Option has been selected.

The limit shown on your Policy Schedule will increase by £7,500 for one month before and one month after the wedding, civil partnership.'

Mr C has claimed for a number of valuable items which were lost in the fire at his property. He has said these items were wedding gifts, for which his policy provides him with unlimited cover. However, Great Lakes has said these would still be considered as valuables, and so are subject to the policy limits.

Based on the evidence provided, I don't think it was unreasonable for Great Lakes not to cover Mr C's valuables under the wedding gift section of his policy and I'll explain why.

Some contents insurance providers offer a temporary increase in cover around special events such as weddings or birthdays. This would be to reflect that around the time of these events, it wouldn't be unusual for the value of contents kept in a home to be higher than normal.

I think it's clear this is the intention of the above policy term, and I think this is how a reasonable consumer would interpret this section of their policy coverage. Particularly given the terms explain the policy limits increase in the month before and after a wedding or civil partnership and this cover is listed as the 33rd item covered under the policy. This would suggest it isn't a core part of the cover Great Lakes were providing to Mr C and instead was providing additional cover in the specific circumstances of a wedding or other special event.

Mr C has claimed for jewellery, one item he has said was valued at £250,000 and others he has said were valued at around £10,000. Regardless of whether these items were once gifted as part of a wedding, I don't think Mr C could reasonably expect that this section of his

standard contents insurance policy would provide cover for these items indefinitely.

These items are particularly high value and fall under the policy definition of valuables which have clearly defined policy limits set out on Mr C's schedule. I think a reasonable consumer in these circumstances would conclude these items would be considered as valuables by their insurer and would need to be specifically declared if they wanted them to be covered under their policy.

Taking all of this into consideration I think it was reasonable for Great Lakes to apply the policy limits for valuables in the way it has done. I don't think it would be reasonable to require Great Lakes to provide full cover for high value items, which fall under the policy definition of valuables, and which Mr C hasn't specified under his policy, simply because they were once gifted as part of a wedding. I don't think this was ever the intention of the wedding gifts section of the policy, nor do I consider it to be a reasonable interpretation of the cover it provides

Great Lakes has acknowledged it has caused unreasonable delays when handling Mr C's claim and has paid him £100 compensation. So, I've considered whether I think this is enough to acknowledge the impact to Mr C.

Given the circumstances of Mr C's claim, I think he would have always experienced significant distress and inconvenience even if everything had gone smoothly. And whilst Mr C's claim has taken some time to progress, it was a complex claim involving a large number of contents, much of which was particularly high value. And so, whilst I appreciate it was frustrating for Mr C to have to wait a long time for an answer on his claim, on the whole I don't think this was due to errors by Great Lakes.

However, Great Lakes has acknowledged there were periods in which it could have progressed things more quickly or chased for responses sooner than it did. And I think it's reasonable to conclude that had it done so, Mr C's claim likely would have been answered sooner than it was. Taking this into consideration I think the £100 compensation Great Lakes has paid Mr C is reasonable to acknowledge the distress and inconvenience he was caused by the delays Great Lakes were responsible for. So, I don't require Great Lakes to pay Mr C any further compensation.

I appreciate this will be disappointing for Mr C, and I know how strongly he feels the settlement he has received isn't a fair one. However, for the reasons I've explained I think Great Lakes has acted fairly and so don't require it to take any further action in relation to his complaint.

My final decision

For the reasons I've outlined above I don't uphold Mr C and Mrs G's complaint about Great Lakes Insurance UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs G to accept or reject my decision before 22 December 2025.

Andrew Clarke
Ombudsman