

The complaint

Mr and Mrs S have complained that Great Lakes Insurance UK Limited (“GLI”) unfairly declined their claim after they had to change their travel plans.

What happened

Mr and Mrs S took a trip to Australia in early 2025. They arranged to fly into the country and fly to another city a few days later, where they would pick up a campervan. They then planned to return to their starting point, where they would board a cruise.

They arrived in Australia without incident. But part of the country was hit by serious flooding. Mr and Mrs S tried to find out whether this would impact them before their flight to pick up the campervan. But they had no response. On arrival in the city where they were due to collect the van, they were advised by the company that roads out of the area were damaged and impassible.

The campervan hire company offered Mr and Mrs S three options. They could collect the campervan and use it in the local area until the roads opened. The hire company would change the pick up location to an unaffected city. Or Mr and Mrs S could have a credit for the value of the hire and rebook at another time. Mr and Mrs S were concerned they wouldn’t reach their cruise departure point in time, so they selected the second option. They bought internal flights to their new pickup city and continued their holiday from there.

On their return to the UK, Mr and Mrs S submitted a claim to GLI for the cost of their additional flights. GLI rejected the claim because they said the circumstances in which Mr and Mrs S weren’t able to continue their holiday weren’t covered. Mr and Mrs S complained but GLI didn’t change their decision. So Mr and Mrs S brought their complaint to the Financial Ombudsman Service.

Our investigator reviewed the information provided by both parties and initially didn’t think GLI needed to do any more to resolve the complaint. But, following representations from Mr and Mrs S, his view changed. He noted that GLI had assessed the claim under the cover provided for missed departures, whereas the claim should have been assessed under the “catastrophe” cover which says:

“We will pay you up to the amount shown on the table of benefits for the cost you pay, or agree to pay overseas, for similar travel expenses and accommodation to allow you to continue with your holiday or journey. We will only do this if you cannot reach or cannot live in your booked accommodation because of a fire, flood, earthquake, storm, lightning, explosion, hurricane or a major outbreak of food poisoning.”

The investigator said that this applied because the road closures meant Mr and Mrs S couldn’t be sure they would reach their cruise ship (their planned accommodation) before it left. So GLI should settle the claim.

I didn't agree with our investigator's view. So I made a provisional decision. I agreed with the investigator that it was right to consider the claim under the cover for catastrophe. But I noted there were a number of circumstances excluded from that cover, including:

“any costs where the accommodation provider has offered reasonable alternative arrangements”

I didn't agree with Mr and Mrs S that only one of the three options offered by the campervan company was viable. I thought collecting the van and remaining in the area while the road was repaired was a reasonable alternative. I thought this would have left enough time to drive to their cruise departure point. So I was satisfied it was reasonable to apply the exclusion and for GLI to decline the claim.

Both parties have now commented on my provisional decision. So the matter's been returned to me for further consideration.

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.

Having done that, I'm not upholding Mr and Mrs S's complaint, for the reasons I set out in my provisional decision and which are summarised above. GLI have accepted my provisional decision. Mr and Mrs S haven't. So I'll explain why I've made it in more detail, focusing on the points they made in their response.

Mr and Mrs S have firstly submitted that the catastrophe section of the policy includes cover for flooding and their claim shouldn't be rejected because it doesn't include wording specific to their particular circumstances. I've thought about this.

No insurance policy covers every eventuality. Rather, insurers choose what cover they want to offer, and what to exclude. It's then for the customer to decide if the cover offered is appropriate for their needs. Contrary to what Mr and Mrs S have said, it can be seen from the section of the policy I've quoted above that cover for flooding is only provided if the specific circumstances set out are covered and don't fall within an exclusion.

The policy only provides cover when booked accommodation can't be reached. Mr and Mrs S had two lots of accommodation booked – the campervan and the cruise. There was never an issue about collecting the campervan, only about whether they could drive it away from the area. So, for the purposes of the term, I've assumed the booked accommodation to be the cruise.

But there were two weeks between the collection date and the cruise departure. And there was no indication that the roads wouldn't open in time for them to board their cruise. It was for that reason I wasn't satisfied Mr and Mrs S wouldn't be able to reach their destination. So I thought the campervan hire company's alternative of collecting the van and delaying their departure was reasonable. And that meant it was fair for GLI to apply the exclusion.

Mr and Mrs S have said they had no alternative because they couldn't be “completely sure” they would reach their destination. I accept that. And I know it must have been a difficult decision for them to make.

But they did have a choice. That choice involved them incurring costs. But the policy doesn't cover costs a policyholder chooses to incur – it covers those they had no option but to pay. That wasn't the case here. So I can't say GLI should pay them.

Mr and Mrs S have also said that they sought advice from GLI's claim line and were told they could make a claim. I've no reason to doubt what they say. But I couldn't reasonably expect an insurer to make a binding decision about a claim on the basis of information provided in a phone call.

Mr and Mrs S did make a claim on their return to the UK. GLI gathered evidence and investigated that claim. I know Mr and Mrs S are unhappy that it was ultimately declined. But I think GLI's decision was reasonable. So, I don't think they need to do any more to resolve Mr and Mrs S's complaint.

My final decision

For the reasons I've explained, I'm not upholding Mr and Mrs S's complaint about Great Lakes Insurance UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 11 November 2025.

Helen Stacey
Ombudsman