

## **The complaint**

Mrs V complains about Great Lakes Insurance UK Limited's settlement of her travel insurance claim and about its service. My references to Great Lakes include its agents.

## **What happened**

Mrs V had an annual travel insurance policy insured by Great Lakes. The day before she was due to return to the UK her airline emailed saying her return flight home was cancelled due to an air traffic control strike. She had to return home using multiple forms of transport. Mrs V claimed on the policy for the costs of the additional travel and meals during the disruption.

Great Lakes said based on the information Mrs V provided her delay lasted 18 hours, so she was covered for £25 travel delay benefit which it paid her to settle the claim. It noted her concerns about the time taken to respond to her claim and complaint but said it had responded in reasonable time.

Mrs V complained to us that Great Lakes' decision and service was unfair. In summary she said:

- She'd contacted Great Lakes about her situation at the time of the flight cancellation. It told her to keep all receipts and submit a claim for the costs of alternative travel home, but it then disregarded those costs. The disruption meant she lost part of her holiday and she had to pay significant unexpected costs to get home.
- Great Lakes only assessed her claim under the 'Travel delay' policy section and ignored other sections that applied – the 'Missed departure', 'Abandonment' and 'Curtailed and loss of holiday' policy sections also applied to her situation.
- She wants Great Lakes to pay her reasonable travel expenses and compensate her for the loss of her holiday, up to the policy limits. She also wants compensation for her distress and inconvenience caused by Great Lakes' poor claim and complaint handling. She had to repeatedly chase Great Lakes for updates and was told to wait days beyond its own deadlines. It didn't acknowledge her complaint in writing until she specifically requested, despite the Financial Conduct Authority (FCA) rules requirements.

Our Investigator said Great Lakes had reasonably settled the claim and it had given Mrs V fair service.

Mrs V disagrees and wants an Ombudsman's decision. In summary she added:

- The policy wording for the 'Missed departure' and 'Travel Delay and Abandonment' policy sections specifically list 'strike or industrial action' as a valid reason for a claim. The cover for missed departure includes return journeys.
- Our Investigator's view that cover for missed departure only applied if she arrived late at the airport is too restrictive and inconsistent with the purpose of the cover. The clear intent of the 'Missed departure' policy section is to protect travellers when

they're unable to take their booked transport due to strike related disruption.

- A fair reading of the policy should consider the cause and circumstances of the missed journey. Under the FCA requirements any ambiguity in the policy wording should be interpreted in the consumer's favour.
- The general policy exclusion says only foreseeable strikes known at the time of booking were excluded. The air traffic control strike affecting her hadn't been announced when her trip was arranged.
- She'd followed Great Lakes' guidance to keep all receipts and submit a claim in good faith. Great Lakes refusing to pay those costs, without even assessing them under the cover for missed departure, contradicts its own guidance and undermines fair treatment principles.
- The situation arose through no fault of her own. The airline didn't offer her any alternative route home following the flight cancellation. She had no option but to arrange her travel using multiple forms of transport. Alternative travel options were being booked up quickly and she'd taken reasonable action to ensure she wasn't stranded abroad. The airline refused to pay her additional costs. She bought travel insurance specifically to protect herself against this kind of unforeseen, stressful situation. It was very unfair that despite acting responsibly and following the correct processes she was left with financial loss.
- She'd like me to consider if Great Lakes' decision was fair given the 'purpose and spirit of travel insurance', and whether a reasonable outcome would be for it to pay (in full or in part) the costs she incurred in returning home.
- As Great Lakes refused to pay the travel costs she's still repaying them on her credit card. The ongoing financial burden has added stress and inconvenience.
- Having to chase a response from Great Lakes and its initial lack of a written acknowledgement of her complaint caused her unnecessary stress and delay and its poor service should be acknowledged.

Our Investigator explained why he hadn't changed his mind. As there's no agreement between the parties the complaint has been referred to me to make a decision.

### **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 Mrs V has made. I won't address all her 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.

Mrs V considers that Great Lakes acted contrary to the FCA's 'Principles of business' and regulatory requirements. In considering what's fair and reasonable, I need to have regard to the relevant law and regulations, regulatory rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

The FCA rules say that insurers must handle claims promptly and fairly and they mustn't turn down (or settle) claims unreasonably. I'm sorry to disappoint Mrs V but I'm satisfied Great Lakes reasonably settled the claim and gave her fair service. I'll explain why.

Great Lakes assessed the claim under the 'Travel delay and Abandonment' policy section which says it will pay travel delay benefit of £25 per 12 hours up to £250 maximum:

*'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.*

*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** (my emphasis) trip, the cost of: (costs detailed).'*

Mrs V didn't abandon her outward trip so there's no cover for the additional travel costs under the abandonment part of the above policy section.

The policy defines 'Strike or Industrial Action' as '*any form of industrial action taken by workers that is carried out with the intention of preventing, restricting, or otherwise interfering with the production of goods or the provision of services*'. So Great Lakes correctly assessed the claim as being potentially covered by the policy section. In the claim form Great Lakes asked 'How long was your travel delayed (hours)' and Mrs V's response was '18'. So Great Lakes payment of £25 travel benefit was correct under the terms of the policy.

Mrs V says Great Lakes was unfair not to consider her claim under the curtailment cover as she had to cut short her trip due to making alternative travel arrangements home. The 'Curtailment and loss of holiday' policy section gives cover for '*the necessary and unavoidable Curtailment of, or Loss of Holiday on, an Insured Journey*' but only for the insured reasons set out under that policy section, which don't include curtailment due to strike action. The policy defines 'Loss of Holiday' as '*The number of complete days that You are confined to a hospital, hotel room or cabin on the orders of Your treating Medical Practitioner during the period of Your Insured Journey, due to Your Bodily Injury or Illness*', which wasn't Mrs V's situation. Great Lakes reasonably considered the claim wasn't covered by the 'Curtailment and loss of holiday' policy section.

In particular Mrs V says Great Lakes should have considered her claim under the 'Missed departure' policy section. That section covers:

*'Your reasonable and necessary additional travel and accommodation expenses (room only)...to return Home (for missed departure from Your last departure point on Your homeward journey)'*

In these circumstances:

*'You arrive too late (as shown on Your ticket) to board Your pre-booked scheduled Public Transport at Your last departure point on Your outward journey or Your last departure point on Your return journey as a result of:*

- 1. Scheduled Public Transport services failing to get You to Your last departure point due to Strike or Industrial Action...'*

The policy wording is clear that the purpose of the 'Missed departure' policy section is to give cover if Mrs V had arrived too late to board her flight at the airport on her return journey 'as a

*result of* scheduled public transport services not getting her to the airport due to strike or industrial action. That wasn't Mrs V's situation, the strike didn't affect public transport to the airport resulting in her not getting to the airport in time for her flight. Great Lakes reasonably considered the claim wasn't covered by the 'Missed departure' policy section.

Mrs V says the general exclusion about 'foreseeable circumstances' means her claim should be covered as the air traffic control strike was sudden and unforeseen. The policy general exclusion says Great Lakes won't cover '*any circumstances, such as Strike or Industrial Action, that were known or could reasonably have been anticipated at the time an Insured Journey was booked or the Policy was purchased, whichever is later*'. But the starting point for insurers and policyholders to see if a claim is covered by the policy is to see if the circumstances are one of the insured events in the policy. If they are an insured event the next step is to consider if one of the exclusions in the policy applies. Great Lakes didn't need to rely on that exclusion to only partly settle the claim correctly for the reasons I've given above.

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

The cause of the claim was out of Mrs V's control and caused her significant expense and inconvenience. But that doesn't mean Great Lakes has to cover or pay the expenses she claimed. 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 flight delay/cancellation are clearly set out in this policy. The risks Great Lakes wants to insure don't include it paying for additional travel costs due to the cause of Mrs V's claim. The cover around Mrs V's situation in this policy isn't unusual for travel insurance policies.

Where I consider policy wording ambiguous I generally consider it's fair that the wording is read in the consumer's favour. But I'm satisfied the policy wording under the 'Missed departure' policy section isn't ambiguous. It clearly sets out the insured events that are covered. Mrs V says the purpose of cover for missed departure is to protect travellers when they're unable to take their booked transport due to strike related disruption but I don't agree that the purpose of cover is that wide. The cover is for when specific reasons occur, as I've set out above and unfortunately Mrs V's circumstances don't fall under those insured reasons.

Mrs V sent us a screenshot to show she'd contacted Great Lakes through its online chat. The screenshot shows Great Lakes told her to keep information including receipts for the extra costs she spent on travel for when making a claim, and that once her claim had been assessed she may be asked to provide other documents. Great Lakes acted fairly in telling Mrs V what evidence she would need to provide to make a claim but that's not a guarantee it would pay those costs. I've seen no evidence that Great Lakes wrongly told Mrs V the claim would be covered before she incurred the additional travel costs. Even if it had, I couldn't have fairly said she was disadvantaged as from what Mrs V told us she had no option but to incur those costs.

I've seen no evidence to support Mrs V's suggestions that Great Lakes acted unfairly or unreasonably or contrary to its regulatory requirements. Overall, I'm satisfied Great Lakes reasonably settled Mrs V's claim.

As to Great Lakes' service, Mrs V's made her claim in early July 2025, Great Lakes acknowledged the claim in mid July and settled the claim on 1 August 2025. Mrs V did chase for a response but that timescale is reasonable for a claim assessment, decision and settlement.

Mrs V's email of 20 August 2025 to Great Lakes said she'd raised a complaint about its claim decision during phone calls on 13 August 2025, when she was told she would get a

response in three to five days, and again on 18 August 2025, when she was told its response would be in five to seven days. She asked Great Lakes to acknowledge her complaint in writing and provide its final response letter within 8 weeks of the complaint being made, as required by the FCA's rules. Great Lakes acknowledged the complaint the same date, so within seven days of the complaint, which was reasonable, and sent its final response letter on 18 September 2025. Although Great Lakes' response was later than the timescale Mrs V says it gave her on the phone it was within the required timescale under the regulatory rules. Overall, I'm satisfied Great Lakes gave Mrs V's fair service.

I'm sympathetic to the position Mrs V found herself in through no fault of her own. She has a significant financial loss due to her flight being cancelled. She's been upset and frustrated by Great Lakes' claim decision and service. But I only award compensation for distress and inconvenience when that's been caused by the unreasonable action of an insurer. I've explained above why I think Great Lakes' settlement of the claim was reasonable. The time it took to assess and decide the claim was fair. Although Great Lakes' response to Mrs V's complaint was outside the timescale it gave her on the phone the delay wasn't so unreasonable as to merit a compensation payment for her distress and inconvenience. It responded within eight weeks from the complaint as required by the FCA.

There's no basis for me to say Great Lakes has to pay compensation for Mrs V's distress and inconvenience.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 25 February 2026.

Nicola Sisk  
**Ombudsman**