

## The complaint

Mr and Mrs B complain because Great Lakes Insurance UK Limited ('Great Lakes') cancelled their travel insurance policy.

All references to Great Lakes include the agents appointed to administer the policy and deal with complaints on its behalf.

## What happened

Mr and Mrs B held an annual travel insurance policy, provided by Great Lakes. The policy renewed in July 2024, with a postponed start date, and was amended in October 2024. The policy covered a list of declared medical conditions for both Mr and Mrs B. The total cost of the policy was £1,558.57.

Mrs B contacted Great Lakes in January 2025 to update Mr B's details before they travelled abroad. After completing a new medical screening, Great Lakes said it couldn't offer any cover. Great Lakes cancelled the policy and gave Mr and Mrs B a pro-rata refund of £1,243.32. Mr and Mrs B subsequently paid £2,328.64 for a new travel insurance policy with a different provider so they could travel on holiday.

Unhappy, Mr and Mrs B complained to Great Lakes. Great Lakes said it had reassessed the risk based on two of Mr B's medical conditions (namely, atrial fibrillation ('AF') and transient ischaemic attack ('TIA')) which it hadn't previously been told about, and could no longer offer cover, relying on policy wording relating to changes to the policyholders' health in support of its decision to cancel the policy.

Mr and Mrs B brought the matter to the attention of our Service. One of our Investigators looked into what had happened and issued a number of different opinions. As the complaint wasn't resolved to the satisfaction of both parties, it was referred to me as the final stage in our process. I made my provisional decision in October 2025. In it, I said:

*'When making this provisional decision I've taken into account relevant considerations such as industry rules and Consumer Duty principles in order to decide what I think is fair and reasonable in the circumstances. In reaching an independent and impartial outcome, I'm not limited to only considering the reasons Great Lakes gave Mr and Mrs B for cancelling their policy. Our Service has an inquisitorial remit which allows me to consider the subject matter of the complaint as a whole to decide whether I think Great Lakes acted fairly and reasonably in the circumstances.'*

*Great Lakes originally told Mr and Mrs B it cancelled their policy because Mr B's health had changed. Great Lakes subsequently told our Service it was instead relying on an exclusion relating to pre-existing medical conditions when it cancelled Mr and Mrs B's policy because it hadn't been told about Mr B's arrhythmia and a TIA, both of which pre-dated the start of this policy. For the avoidance of doubt, based on the evidence I've seen, I don't think it was fair or reasonable in the circumstances for Great Lakes to rely on the policy terms relating to changes to the policyholder's health when cancelling Mr and Mrs B's policy. And, even if I did think it was fair and reasonable for Great Lakes to cancel the policy based on Mr B's*

*referral to a cardiologist, our Service's longstanding and published approach to such cases is to direct the insurer to pay for the cost of cancelling any pre-booked holidays (or the cost of an alternative travel insurance policy up to that amount) at the point cover was withdrawn. So, I'd likely be awarding the same redress regardless.*

*As Mr and Mrs B were asked to answer questions about their health when they took this policy out, the relevant law is The Consumer Insurance (Disclosure and Representations) Act 2012 ('CIDRA'). CIDRA applies to situations where a consumer has made disclosure and representations to an insurer before a contract such as this one is entered into or varied. CIDRA cannot be contracted out of to the detriment of the consumer. So, I don't think it's fair or reasonable for Great Lakes to seek to rely on a policy exclusion relating to pre-existing medical conditions when cancelling Mr and Mrs B's policy. Instead, I'm satisfied that it's fair and reasonable to apply the principles set out under CIDRA to the circumstances of this complaint. Therefore, any remedies which Great Lakes may have in avoiding this contract lie exclusively under CIDRA.*

*CIDRA requires consumers to take reasonable care not to make a misrepresentation when taking out an insurance policy. The standard of care required is that of a reasonable consumer. If a consumer fails to do this, the insurer has certain remedies available to it provided the misrepresentation is - what CIDRA describes as - a 'qualifying misrepresentation'. For a misrepresentation to be a qualifying one, the insurer must show it would have offered the policy on different terms, or not at all, if the consumer hadn't made the misrepresentation. The remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.*

*CIDRA sets out a number of considerations for deciding whether a consumer failed to take reasonable care - including how clear and specific the insurer's questions were. Great Lakes has quoted questions which Mr and Mrs B were asked about their health when they took out a previous annual policy in 2023. But the questions asked in 2023 related only to the 2023 contract. Those questions aren't relevant to my consideration of whether a qualifying misrepresentation was made under the new annual contract which was taken out in July 2024.*

*I've listed to the telephone call between Mrs B and Great Lakes in July 2024, as well as the telephone calls from October 2024. I don't think Mrs B was asked any clear and specific question during these calls about whether Mr B had ever suffered a TIA. Mrs B was asked to confirm that the details set out in the July 2024 renewal notification were correct, but this renewal notification doesn't mention TIAs either. I don't think the reference on the renewal notice to a requirement to declare all pre-existing medical conditions would have prompted a reasonable consumer to declare a TIA of the type Mr B experienced some ten years prior, based upon what I know about his condition. And I don't think any questions asked during the calls about whether Mr B had medical conditions other than those that had already been discussed would have prompted a reasonable consumer to declare the TIA either. Mrs B also wasn't asked any clear and specific questions about AF or arrhythmia before this particular contract was entered into in July 2024 or varied in October 2024.*

*I don't think Mrs B made any dishonest misrepresentations to Great Lakes in July 2024 or October 2024. In fact, it seems clear to me that Mrs B was making every effort to tell Great Lakes about everything she reasonably thought she needed to.*

*This means I don't think Mrs B failed to take reasonable care not to make a misrepresentation to Great Lakes in 2024. Thus, there can be no qualifying misrepresentation (whether deliberate, reckless or careless) and Great Lakes has no remedy to avoid Mr and Mrs B's contract under CIDRA. So, I think Great Lakes acted unfairly and unreasonably when it cancelled Mr and Mrs B's policy. I've taken into account*

*the evidence which Great Lakes has provided showing that a TIA, AF and arrhythmia were declared for Mr B in 2020. I also accept that, had Mr and Mrs B told Great Lakes about these medical conditions in 2023, that policy would likely never have been sold and therefore would never have been able to renew the following year. However, this doesn't change my provisional findings that no qualifying misrepresentation took place in 2024.*

*I'm satisfied that Mr and Mrs B experienced both a financial loss and distress and inconvenience as a result of what I think was Great Lakes' unfair and unreasonable decision to cancel their policy. Mr and Mrs B were left with little choice other than to purchase a more expensive alternative travel insurance policy at relatively short notice to ensure they had cover for their upcoming holiday, due to the timing of the trip and the amount they'd already paid for it. Great Lakes also gave Mr and Mrs B conflicting information about why their policy had been cancelled, causing them further frustration.*

*Overall, I think it's appropriate based on the circumstances of this individual case, to make an award of compensation encompassing both what I think is a fair reflection of Mr and Mrs B's financial loss and the distress and inconvenience they experienced. I currently think it would be fair and reasonable for Great Lakes to pay Mr and Mrs B £850.'*

Mr and Mrs B said they had nothing further to add in response to my provisional decision. Great Lakes didn't accept my provisional findings and, in summary, said it wasn't fair to disregard Mr and Mrs B's original misrepresentation in 2023. Great Lakes said the 2024 renewal process was based on an assumption that previously supplied information remained accurate, and the 2024 policy would never have been issued were it not for the misrepresentation in 2023.

### **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 carefully thought about everything Great Lakes has said and, as I acknowledged in my provisional decision, I accept this policy is likely to never have renewed in 2024 if Mr and Mrs B had told Great Lakes about TIA, AF and arrhythmia in 2023. However, the fact that Great Lakes may have had the right to avoid the original contract doesn't mean it's fair or reasonable for it to avoid any subsequent contracts.

Great Lakes must demonstrate that there was a qualifying misrepresentation at renewal. It hasn't demonstrated there was a qualifying misrepresentation in relation to the relevant contract, which was the 2024 policy, under the applicable law (CIDRA). The legal position reflects our Service's long-standing approach to cases involving misrepresentation and it's not fair or reasonable for Great Lakes to seek to rely on legislative remedies in circumstances where these don't apply. Overall, I see no reason why it would be fair or reasonable to depart from the legal position in this case.

Mr and Mrs B weren't asked any clear and specific questions that ought reasonably have prompted them to declare Mr B's TIA, AF and arrhythmia when the 2024 policy renewed or was varied. I don't agree with Great Lakes' submissions that the responsibility lay with Mr and Mrs B to inform it of any changes in circumstances where Mr and Mrs B weren't reminded of the pre-existing medical conditions which Great Lakes wanted to know about. It's not fair or reasonable to expect Mr and Mrs B to remember the questions they were asked about pre-existing medical conditions a year prior. Consumer Duty principles require firms to help customers understand their policy and communicate information in a way which is clear, and I don't think Great Lakes did this at the 2024 renewal or variation.

For these reasons, as well as for those set out in my provisional decision, I won't be changing my findings that Great Lakes should pay Mr and Mrs B an award to reflect an element of their financial loss as well as the distress and inconvenience they experienced.

### **Putting things right**

Great Lakes Insurance UK Limited needs to put things right by paying Mr and Mrs B £850 compensation.

Great Lakes Insurance UK Limited must pay the compensation within 28 days of the date on which we tell it Mr and Mrs B accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

### **My final decision**

I'm upholding Mr and Mrs B's complaint about Great Lakes Insurance UK Limited, and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 10 December 2025.

Leah Nagle  
**Ombudsman**