

The complaint

Mr M has complained that Great Lakes Insurance UK Limited declined a claim he made on a travel insurance policy.

What happened

Mr M was on a trip abroad with a planned return date of 30 June 2024. The flight was cancelled due to air traffic control issues. The airline offered an alternative flight, however, as he needed to get back to the UK urgently for family reasons, he made his own alternative arrangements. He then made a claim on the policy for the additional costs incurred.

Great Lakes declined the claim on the basis that the circumstances were not covered under the policy terms.

Our investigator thought that Great Lakes had acted reasonably in declining the claim. Mr M disagrees and so the complaint has been passed to me for 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 carefully considered the obligations placed on Great Lakes by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Great Lakes to handle claims promptly and fairly, and to not unreasonably decline a claim.

I've also considered the Financial Conduct Authority's overarching Principles for Businesses. That includes Principle 12 of the Financial Conduct Authority's Principles for Businesses ('the Consumer Duty') which says a firm must act to deliver good outcomes for retail customers (such as acting in good faith and avoid causing foreseeable harm).

Insurance policies aren'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. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Mr M made a claim under the curtailment section of the policy.

Looking at the policy terms, they state:

'Section 3: Curtailment and loss of holiday

If you have to cut your trip short

This section of the Policy sets out the cover We provide to each Insured Person in total per Insured journey, up to the sum insured shown in the "Summary of cover limits", following

necessary and unavoidable Curtailment of, or Loss of Holiday on, an Insured Journey as a result of:

- 1. The death, Bodily Injury or Illness, as certified by a Medical Practitioner, of You, Your Relative, Colleague or travelling companion or of a friend with whom You had arranged to stay; or'*

Mr M needed to return to the UK promptly as he'd had news that a close relative was dying. He therefore strongly believes that his claim should be covered under this section of the policy. However, the definition of curtailment is:

'Returning to Your Home in the United Kingdom before the scheduled return date.'

Therefore, the curtailment clause would only apply if Mr M had returned earlier than 30 June 2024. As he returned on the day that he had always planned to return, the claim is not covered under that section.

The most appropriate section of cover to consider the claim under would be for travel delay. Looking at those policy terms, it states:

'Section 10: Travel delay and abandonment

If your departure is delayed

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 "Summary of cover limits", 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.*

What is not covered

- 3. Any claim where the carrier or their handling agents provide alternative transport which departs within 12 hours of the original scheduled departure time.'*

Mr M's flight was cancelled due to air traffic control issues, which is not one of the insured perils listed in the above wording.

Furthermore, Mr M's original flight was due to depart at 10.55pm on 30 June 2024. He initially accepted an alternative flight offered by the airline that was due to depart at 10.30am on 1 July 2024, meaning that he would have been delayed for slightly less than 12 hours. I appreciate that flight was returning to a different UK airport than his original booking. However, he'd agreed that flight as being a suitable alternative to him. It was only when his father then rang him to say he needed to get back as soon as possible that he proceeded to make his own plans to return the same day.

Based on the available evidence, I'm satisfied that Mr M's claim is not covered under either the curtailment or travel delay sections of the policy.

I've also looked at the remainder of the policy wording to see if there were any other sections under which the claim could be considered. However, the circumstance Mr M found himself in does not fall within the scope of the wider policy terms.

I've thought about whether it would be fair, in the circumstances, to ask Great Lakes to act outside of the policy terms, to settle the claim. However, I don't consider it would be appropriate in this case.

I'm sympathetic to Mr M's situation and understand why he took steps to return that day rather than waiting for his re-arranged flight the next morning. However, the matter at hand is whether that circumstance is covered under the policy terms – and I'm afraid to say that it is not. Overall, I consider that Great Lakes has acted reasonably in declining the claim, in line with the policy terms and conditions. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 January 2026.

Carole Clark
Ombudsman