

The complaint

Mrs E has complained that Great Lakes Insurance UK Limited declined a claim she made on a travel insurance policy, and about poor claims and complaint handling.

What happened

Mrs E was on a cruise in March 2025 when she had a fall after disembarking the ship at one of the ports. She was taken to hospital and, following some treatment and tests, was discharged the same day.

She didn't incur any medical costs. However, upon her return to the UK she made a claim for broken glasses, a damaged ring and loss of the final days of the trip.

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

In response to the complaint, Great Lakes initially sent her a final response letter that apparently related to a different policyholder and a different set of circumstances. That letter offered compensation of £100.

When finally responding to the complaint properly, it maintained its decision to decline the claim for the glasses and trip curtailment. However, it agreed to review the claim for the damaged ring, subject to receiving further information from Mrs E. It also said that, although the £100 had been offered in error, in light of the mistakes and confusion caused, Mrs E was able to retain the amount as a gesture of goodwill.

Our investigator thought that Great Lakes had acted reasonably in its response to the claim, in line with the terms and conditions of the policy. He also thought that £100 was a reasonable amount to compensate Mrs E for the distress and inconvenience caused.

Mrs E disagrees with the investigator's opinion 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.

The complaint involves the actions of the claim administrators, acting on behalf of Great Lakes. To be clear, when referring to Great Lakes in this decision I am also referring to any other entities acting on its behalf.

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.

So, I've considered the terms of the policy Mrs E held, as this forms the basis of contract between the parties. There are several terms within the policy which I consider relevant to the complaint.

Looking firstly at the 'Personal Possessions' section of the policy, it states:

'What is not covered

(.....)

9. Any loss or theft of, or damage to:

(.....)

c. Spectacles, contact lenses, hearing aids or prosthetic limbs;'

Mrs E says she finds it astonishing that insurers are allowed to have a clause that excludes prescription glasses. As already mentioned, Great Lakes is entitled to decide what risks it is, and is not, willing to cover. It is required to set out any exclusions clearly and, overall, I'm satisfied that the above wording is clear that glasses are not covered.

Great Lakes has said that it will consider the claim for damage to the ring if Mrs E provides details of the repair costs. It is entitled to request evidence in support of a claim. I'm therefore satisfied that it has acted reasonably in asking for this information. However, as I understand it, Mrs E has decided that she doesn't wish to pursue this part of the claim.

The final part of the claim relates to Mrs E missing some of her holiday due to the accident. She had the fall on the morning of 22 March 2025. After receiving treatment in hospital, she returned to the ship later that day, where she remained in her cabin. The ship then moved to the final port, arriving on the morning of 23 March 2025, where Mrs E caught her return flight home to the UK as planned.

In section 3 for 'Curtailment and loss of holiday', the definition of 'loss of holiday' is:

'On a Leisure Trip, 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.'

Under 'Additional conditions applying to this section', it states:

'6. We will calculate claims for Curtailment or Loss of Holiday proportionately, taking into account the number of complete days of Your planned trip that You have not used while You are:

a. Hospitalised abroad; or

b. Confined to Your accommodation abroad for medical reasons; or

(.....)'

Then, under Section 20 of the policy, 'Cruise cover', it states:

'What is covered

1. A cabin confinement benefit for each 24 hours that You are confined to Your cabin.'

Based on the available evidence, I'm satisfied that the circumstances do not fall within either section 3 or section 20 of the policy terms. Mrs E was only in hospital for part of the day. And, whilst it's understandable why she stayed in the cabin upon returning to the ship, it was for less than a 24-hour period, and I haven't seen any evidence that it was under doctor's orders.

I have a great deal of sympathy for Mrs E's situation. She had an accident and the damage to her possessions was outside of her control. And, of course, she missed out on the activities that she had been planning to do on the final full day of the cruise. However, the matter at hand is whether Great Lakes has done anything wrong, and I'm unable to conclude that it has. It was fair and reasonable for it to decline the claim, in line with the policy terms and conditions.

Turning now to the customer service issues, it is clear that she didn't receive the service that she had the right to expect, both in terms of the claims handling and the complaint handling. Great Lakes failed to get to grips with the substance of her claim initially. It then essentially got her case mixed up with someone else's when responding to the complaint. All of which must have been very frustrating, and it of course necessitated her having to email and call to try and sort things out. I can therefore understand why Mrs E feels she should receive a higher amount of compensation. However, as an alternative dispute resolution service, our awards are more modest than she might expect, and likely less than a court might award. On balance, I consider that £100 is reasonable for the distress and inconvenience caused. My understanding is that Great Lakes has already paid this, so I am not asking it to do anything more.

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 Mrs E to accept or reject my decision before 26 February 2026.

Carole Clark
Ombudsman