

## The complaint

Mr and Mrs C complain because Great Lakes Insurance UK Limited ('Great Lakes') hasn't paid a cancellation claim under their travel insurance policy.

All references to Great Lakes include the agents appointed to handle claims and complaints on its behalf.

## What happened

Mr and Mrs C held a travel insurance policy, provided by Great Lakes.

Mr and Mrs C cancelled an upcoming holiday because their relative was unwell and, very sadly, passed away. They made a claim with Great Lakes, who said this wasn't covered. Great Lakes said this was because Mr and Mrs C's relative had been admitted to hospital three days before the policy was purchased and the policy didn't cover claims that could reasonably have been anticipated.

Unhappy, Mr and Mrs C complained to Great Lakes before bringing the matter to the attention of our Service.

One of our Investigators looked into what had happened and said he didn't think Great Lakes had acted unfairly or unreasonably in the circumstances. Mr and Mrs C didn't agree with our Investigator's opinion, so the complaint was referred to me as the final stage in our process.

I made my provisional decision about Mr and Mrs C's complaint earlier this month. In it, I said:

*'I'm sorry to hear about the sad circumstances that led to this complaint, and I'd like to offer Mr and Mrs C and their family my sincere condolences for their loss.'*

*Industry rules set out by the regulator say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, as well as other relevant considerations such as Consumer Duty principles, into account when making this provisional decision. I think it's also important to say, when reaching an independent and impartial outcome, I've only taken into account the specific circumstances of Mr and Mrs C's individual complaint. Previous decisions made by our Service don't set precedent.*

*This claim arose from the health of a non-travelling relative, who wasn't insured under the policy. Mr and Mrs C weren't asked questions about the health of non-travelling relatives when they bought the policy, and I wouldn't expect them to have been. The health of non-travelling relatives generally presents a wide and uncertain risk which travel insurers aren't willing to specifically underwrite for.*

*The terms and conditions of Mr and Mrs C's policy provide cover for the necessary and unavoidable cancellation of a trip because of the death or illness of a non-travelling relative. But cover is limited by the following exclusion:*

*'Any claim arising from circumstances that could reasonably have been anticipated at the time the trip was booked or the Policy was purchased, whichever is the later.'*

*If Great Lakes is seeking to rely on a policy exclusion to decline a claim, then it's for Great Lakes to demonstrate that the exclusion applies. It's not for Mr and Mrs C to prove otherwise.*

*So, the question for me to consider is whether I think, on the balance of probabilities, the available medical evidence supports Great Lakes' conclusion that it's likely Mr and Mrs C could reasonably have anticipated that a claim would arise because their relative was in hospital at the time the policy was purchased.*

*I fully accept that Great Lakes' intention may not be to insure claims arising from the health of non-travelling relatives if that relative is already suffering from a medical condition, is in hospital and/or is receiving medical treatment at the time the policy is purchased. It's open to Great Lakes to specifically exclude such claims using policy exclusions which are clear, fair and not misleading. But Mr and Mrs C's policy doesn't say any of this – it only excludes claims that could reasonably have been anticipated at the time the policy was purchased.*

*The available medical evidence in this case clearly states that the claim arose from an 'acute exacerbation' of Mr and Mrs C's relative's pre-existing medical condition of which there was an 'acute deterioration during admission' after the policy was purchased. The medical evidence also clearly states that Mr and Mrs C couldn't have foreseen or anticipated any possibility of the trip being cancelled on the date the insurance was taken out, and that cancellation of the trip wasn't advised as being necessary until over one month after the policy purchase. Mr and Mrs C's testimony is that the hospital admission was no cause for concern, and I think this is supported by the content of the medical certificate.*

*So, the available evidence in this case simply doesn't support Great Lakes' conclusion that the claim could reasonably have been anticipated at the time Mr and Mrs C bought the policy. This means I don't think Great Lakes acted fairly or reasonably by turning down Mr and Mrs C's claim and I intend to recommend for it to pay the claim together with interest from the date it was first declined.*

*I've thought about the timeline of events in this case, and I don't think there were any unreasonable or excessive delays by Great Lakes in considering the claim. However, I think it would be fair and reasonable in the circumstances for Great Lakes to pay Mr and Mrs C compensation for the distress and inconvenience they experienced as a result of Great Lakes unfairly declining the claim at what was an already distressing and upsetting time. It is, of course, difficult to put a value on this and I don't wish to minimise Mr and Mrs C's situation.*

*I have no power to seek to punish or fine a business through an award of compensation. Having taken into account our published guidance on the payment of compensation for distress and inconvenience, I think it would be fair and reasonable in the circumstances for Great Lakes to pay £100 to Mr and Mrs C.'*

Mr and Mrs C accepted my provisional decision. Great Lakes didn't, but said it had nothing more to add to the arguments already presented.

### **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.

As neither party has presented any new evidence or additional submissions, I see no reason to change my provisional decision.

I'm satisfied my provisional findings address the key arguments which Great Lakes previously presented. I don't think there's anything else I can usefully add to the reasoning I've already set out, other than to reiterate that I don't think the policy wording excludes certain situations which Great Lakes might not intend to cover.

### **Putting things right**

Great Lakes Insurance UK Limited must put things right and do the following:

- pay Mr and Mrs C's claim, subject to any applicable policy limits and/or excess:
- add interest to the claim payment at 8% simple per annum from the date the claim was first declined (6 May 2025) until the date the settlement is paid:
- pay Mr and Mrs C £100 compensation for the distress and inconvenience they experienced.

Great Lakes Insurance UK Limited must pay the compensation within 28 days of the date on which we tell it Mr and Mrs C 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<sup>1</sup>.

### **My final decision**

I'm upholding Mr and Mrs C'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 and Mrs C to accept or reject my decision before 19 March 2026.

Leah Nagle  
**Ombudsman**

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<sup>1</sup> If Great Lakes Insurance UK Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs C how much it has taken off. It should also give Mr and Mrs C a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.