

The complaint

Mr J is unhappy that Great Lakes Insurance UK Limited declined a claim he made on his travel insurance policy.

What happened

Mr J took out a travel insurance policy to cover a holiday abroad. The policy was purchased after he'd left the UK and was travelling to his final destination.

A few months later he needed to claim on the policy for medical expenses and cutting his trip short. The claim was declined because the policy was purchased after he'd left the UK. Mr J complained but Great Lakes maintained their decision was fair and in line with the policy terms. Mr J complained to the Financial Ombudsman Service.

Our investigator looked into what happened and partly upheld the complaint. She thought the decision to decline the claim was fair, but that Mr J ought to receive a refund of his premiums. Great Lakes didn't agree this was fair. So, the complaint was passed 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'm sorry to hear about the experience Mr J had. It was clearly a very difficult and worrying time for Mr J and his family, so I have a lot of empathy with the circumstances he's described.

The relevant rules and industry guidelines say that Great Lakes has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

'Cover cannot start after you have left your home country. Each trip must begin and end in your home country'.

During the sales process it says:

'By proceeding to the next page you agree that you and all people to be insured by this policy are:

Not already travelling at the time of purchase'.

I don't think Great Lakes unfairly declined the claim because:

- Mr J left the UK around 48 hours before the policy was purchased. On a strict application of the policy terms there is no cover under the policy because he was already travelling.
- The sales process asked Mr J to confirm that he wasn't already travelling but the policy was purchased. Great Lakes wouldn't have offered Mr J cover under this policy if they'd known he'd already left the UK.
- It's common for travel insurance policies to include a similar exclusion. Lots of travel insurance policies can't be purchased after departure from the UK. So, I don't think that's unusual or uncommon.
- Although the reason for Mr J's claim was some time after his arrival, I don't think it's fair and reasonable to conclude that Great Lakes should pay the claim outside the policy terms and conditions in this case. I think it would have been clear to Mr J that there was no cover if he was already travelling. And it was his responsibility to ensure that he had travel insurance cover which met his needs.
- I do think it would be fair and reasonable for Great Lakes to return the policy premiums to Mr J. He's had no financial benefit from the cover and Great Lakes hasn't incurred any claims expenditure. So, I think returning the premiums would fairly reflect that Great Lakes was never on risk for a claim being paid due to the circumstances.

Putting things right

Great Lakes needs to put things right by refunding the policy premiums.

My final decision

I'm partially upholding Mr J's complaint against Great Lakes Insurance UK Limited and direct them 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 J to accept or reject my decision before 9 January 2024.

Anna Wilshaw
Ombudsman