

## **The complaint**

Mr and Mrs B are unhappy with the service they received from Great Lakes Insurance SE and the settlement of their travel insurance claim.

## **What happened**

Mr and Mrs B were on holiday when one of their children injured herself whilst skiing. They claimed on their travel insurance policy which included the cost of a medical evacuation ('medi-vac') from the ski slope. This wasn't paid as part of the claim settlement. Mr and Mrs B were also unhappy with delays in handling the claim and poor service. For example, they said they were asked to provide information they'd already provided to Great Lakes.

Our investigator looked into what had happened and upheld Mr and Mrs B's complaint. She thought Great Lakes should settle the unpaid invoices for the medi-vac and medical expenses. She also thought Great Lakes should pay Mr and Mrs B £100 compensation for delays in settling the claim.

Mr B clarified the costs to be paid and accepted the investigator's findings on the basis that the settlement would be made promptly. He said that if it wasn't, they'd seek interest to reflect the delay in settling the claim. Great Lakes didn't respond initially but then accepted the investigator's recommendation.

Mr and Mrs B highlighted the delays in settling the claim and said Great Lakes should be held to account for their way of operating and delays by making a payment for their time spent on dealing with this. They said their acceptance of the view was based on the settlement being made promptly, which hadn't happened. They said they wanted payment of £898.75 of costs for the medi-vac and medical expenses, interest at the standard rate since the date of the claim, £75 compensation and the prompt settlement of the claim.

Our investigator put this settlement to Great Lakes who said they accepted this, with the exception of the 8% simple interest. I asked our investigator to clarify to both parties that I was intending to award interest and £100 compensation. Mr and Mrs B said they'd accept this assuming it was 8% simple interest. Great Lakes didn't respond.

## **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.

The relevant rules and industry guidelines say that Great Lakes has a responsibility to handle claims promptly and fairly.

Great Lakes has agreed to pay £898.75 for the cost of the medi-vac and outstanding medical expenses. It's also agreed to the investigator's recommendation of paying £100 for the inconvenience caused by delays in claims handling. So, the only remaining point in dispute is whether interest is payable, or not.

I think Great Lakes should pay Mr and Mrs B 8% simple interest per annum on the £898.75 which is due to be paid as part of the claim settled. I can see Mr and Mrs B highlighted the costs relating to the medi-vac when they submitted their 'claim application' document in March 2022. Mr B also reiterated that these costs were being claimed for in April 2022. So, I think these costs should have been settled as part of the original claim. The other smaller amount of medical expenses has also now been accepted as a valid part of the claim.

I think Mr and Mrs B have been out of pocket for these expenses since they claimed. Great Lakes failed to settle the claim as they should, despite having the relevant information to do so. They accepted our investigator's findings on that point.

I'm aware that Mr and Mrs B are concerned that there will be further delays in settling this amount. Great Lakes will have a specified period of time to make settlement, set out below.

### **Putting things right**

Within 28 days of the date that the Financial Ombudsman Service confirms Mr and Mrs B has accepted my final decision Great Lakes needs to put things right by paying them:

- £898.75 plus 8% simple interest per annum from the date the claim was made until the date of settlement
- £100 compensation for the inconvenience caused by delays in handling the claim.

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

### **My final decision**

I'm upholding Mr and Mrs B's complaint about Great Lakes Insurance SE 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 Mrs B and Mr B to accept or reject my decision before 7 August 2023.

Anna Wilshaw  
**Ombudsman**