

## The complaint

Mr and Mrs J complain about the settlement paid by Great Lakes Insurance SE under their travel insurance claim.

## What happened

Mr and Mrs J hold annual travel insurance cover with Great Lakes. They were due to travel abroad on 8 March for a two-day trip, but their flight was cancelled by the airline due to bad weather. They returned home and re-booked their flight for 10 March, but the airline also cancelled that flight and couldn't offer Mr and Mrs J an alternative. Mr and Mrs J therefore decided to get a train to their destination. They did this on 10 March, and booked a new hotel room abroad for 10 to 12 March.

Mr and Mrs J were able to obtain a refund of their flight from the airline. They made a claim to Great Lakes for the airport parking costs, hotel costs for 10 to 12 March, and outward and return train tickets.

Great Lakes dealt with the claim under the travel delay section of cover, and paid Mr and Mrs J £100 to settle the claim. Unhappy with this, Mr and Mrs J brought a complaint to this Service.

Our investigator didn't recommend the complaint be upheld. She thought Great Lakes had assessed the claim fairly and in line with the policy terms.

I issued a provisional decision on 22 November 2023. Here's what I said:

*'I've read the policy terms and conditions. The 'travel delay' section of the policy explains that benefit is payable if there is a delay to departure of at least 12 hours due to failure or delay of pre-booked public transport. It says if that happens, Great Lakes will pay benefit for each 12-hour period that the insured is delayed on their outward journey, or the full deposit or cancellation charges if the insured chooses to cancel the trip.'*

*Great Lakes paid benefit under this section of the policy, and used the time that Mr and Mrs J caught their train to work out how much should be paid. Whilst I can understand Great Lakes' reasoning here, I've read the remainder of the policy and I think the claim would also be payable under the 'missed connection' cover. This says:*

*'Disruption of Your scheduled travel itinerary due to the failure or delay of any pre-booked Public Transport to the Trip destination point.'*

*...*

- 1. Reasonable additional accommodation and travel expenses of an equivalent standard (up to the sum insured) to the original booking, necessarily incurred to reach the booking destination.'*

*The policy's definition of public transport includes 'scheduled airline flight operating to a published timetable to join the booked travel itinerary.'*

*We checked with Great Lakes, and it said the 'missed connection' section would only apply if the scheduled itinerary included a connection that was missed.*

*I appreciate the heading says 'missed connection'. But there's nothing in the policy wording of the section to say a connection would have to be missed for a claim to be payable. The policy only says there would need to be disruption of the scheduled travel itinerary due to the failure of any public transport to the destination point. That's exactly what happened to Mr and Mrs J, and so they incurred additional travel expenses in order to reach their destination.*

*Whilst Great Lakes may have intended for this section to only cover failure/delay of public transport where the original itinerary included two or more means of public transport to reach the destination point, that is not what the policy says. So it seems there's an inconsistency between the section heading and the actual wording. I think it would be fair for any ambiguity to be interpreted in Mr and Mrs J's favour.*

*I see the policy doesn't allow Great Lakes to pay a claim under both the travel delay section and the missed connection section. As Mr and Mrs J would be entitled to a higher amount under the missed connection section, I intend to find that Great Lakes should cover Mr and Mrs J's additional travel expenses that they incurred to reach their destination under the missed connection section of cover. Great Lakes can deduct the £100 already paid under the travel delay section.*

*I've checked the rest of the policy, and there isn't any cover for Mr and Mrs J's parking costs, hotel costs or their return travel costs.'*

I asked both parties if they had any further comments to make before I made a final decision.

Mr and Mrs J responded to say they had no issues with my provisional decision.

Great Lakes responded to say the claim wouldn't fall under 'missed connection' as the booking didn't include any connections which were missed. It therefore thought it had correctly assessed the claim under the travel delay benefit. Great Lakes also said that as the original flight was cancelled by the airline, then the airline should refund the cost of the flight, and it doesn't know if Mr and Mrs J ever approached the airline.

As both parties have responded before the deadline I gave, I'll now make a final 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.

Great Lakes doesn't agree with me that the claim should be covered under the 'missed connection' section of the policy. It says the purpose of this is to provide cover for additional travel and accommodation costs if the policyholder were to miss their 'connection'.

However, Great Lakes hasn't addressed my point that the policy wording doesn't say a connection has to be missed for a claim to be payable. It says there needs to be a disruption of the scheduled travel itinerary due to the failure of any public transport to the destination point. It seems to me that is what happened to Mr and Mrs J.

As I've said, Great Lakes may have intended for the policy to only cover the failure/delay of public transport where the original booking included two or more means of public transport to reach the destination, but that isn't what the policy actually says. I therefore remain satisfied

that it would be fair for Great Lakes to cover Mr and Mrs J's additional travel expenses that they incurred to reach their destination under the missed connection section of the policy.

Great Lakes says it doesn't know if Mr and Mrs J approached the airline for a refund of their cancelled flight. I explained in my provisional decision that Mr and Mrs J had obtained a refund from the airline for the flight, and so this didn't form part of their claim.

### **My final decision**

My final decision is that I uphold this complaint. I require Great Lakes Insurance SE to pay for Mr and Mrs J's additional travel expenses that they paid to reach their destination under the 'missed connection' section of the policy, in line with the remaining policy terms (Great Lakes can deduct the £100 already paid under the travel delay section).

Interest should be added to this at the rate of 8% simple per annum from a month after the claim was made to the date of settlement\*.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs J to accept or reject my decision before 1 January 2024.

Chantelle Hurn-Ryan  
**Ombudsman**