

The complaint

Mr and Mrs B have complained about the way Great Lakes Insurance SE ('Great Lakes') has settled their claim.

What happened

Mr and Mrs B booked a tour and part way through their trip, they unfortunately contracted Covid-19. They were forced to quarantine for 10 days and missed part of their tour. They made a claim to Great Lakes and it settled the claim for some of their costs.

Mr and Mrs B were unhappy with the settlement so they complained and said Great Lakes should cover the costs of their unused trip under the 'cutting short your trip' section.

Great Lakes maintained it had settled the claim properly but it paid £150 for poor service and delays. Unhappy, Mr and Mrs B referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Great Lakes had incorrectly or unfairly settled the claim.

Mr and Mrs B disagreed and in summary, said their claim was covered under the Covid-19 section as they were unable to continue with their travels. And that other people in similar situations to theirs had their claims paid.

And so the case has been passed to me for 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- The policy terms under general exclusions says claims relating to COVID-19 aren't covered unless specifically listed.
- Covid-19 cover is specifically listed under section 14. The 'cancellation and cutting short your trip' section says:

"We will pay you up to the amount shown in the table of benefits for either Section 1. Cancellation, or Section 2. Cutting Short Your Trip, per insured person for any irrecoverable unused travel and accommodation costs (and other prepaid charges) which you have paid or are contracted to pay, if you were not able to travel and use your booked accommodation or undertake the trip as a result of:

- a) *you, a close relative, a member of your household, travelling companion or any person with whom you have arranged to stay during the trip has a diagnosis of COVID-19 in the 14 days prior to your booked departure date.*
- b) *you are denied boarding on your pre-booked outbound travel due to you contracting COVID-19, or having a confirmed temperature above 38 degrees Celsius...*

...or where you have to Cut short your trip as a result of:

- a) *the death as a result of Covid-19...*
- b) *the hospitalisation as a result of COVID-19...*
- c) *you are unable to continue with a pre-booked excursion following your self-isolation as ordered by a relevant Government authority due to contracting COVID-19..."*

- Having considered the above section in detail, the first part relates to cancellation and is only applicable if Mr and Mrs B were not able to start their trip or travel and use their booked accommodation. Mr and Mrs B were able to and did travel and they did undertake their trip - they were part way through their tour when they were denied boarding. But they weren't able to *continue* their travel, which I don't think is covered here.
- Mr and Mrs B say they read it as "*if you were not able to travel...or undertake the trip.*" Even if I accept their interpretation that they weren't able to travel (but did undertake their trip), I don't think any of the reasons set out in this section apply.
- Mr and Mrs B say they were forced to quarantine on their outbound travel to their next destination. As outbound travel isn't defined, I've considered the ordinary meaning of 'outbound travel' which is to leave one's country of residence. Mr and Mrs B weren't leaving their country of residence when they were denied boarding - they were part way through their tour, and so I don't think this reason applies.
- Mr and Mrs B say their trip was cut short but they did not cut their trip short as a result of any of the listed reasons.
- Mr and Mrs B say other people they travelled with had their claims settled but I can only consider Mr and Mrs B's complaint and circumstances.
- Based on all of the above, there is no cover for Mr and Mrs B's circumstances under the Covid-19 section. So I don't think Great Lakes has unfairly settled the claim.
- For the sake of completeness, I am also satisfied that Great Lakes compensated Mr and Mrs B fairly for the poor customer service and delays in dealing with the claim. For the length of time involved, I think the sum of £150 is appropriate. And the final response letter clearly confirms there was no cover for their circumstances under the specific Covid-19 section of their policy. So I can't fairly ask Great Lakes to do anything more.

My final decision

For the reasons set out above, I don't uphold this complaint.

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 17 November 2023.

Shamaila Hussain
Ombudsman