

The complaint

Mr and Mrs G complain that Great Lakes Insurance SE declined their claim against their travel insurance policy. They also complain that Great Lakes mis-sold the policy to them. Reference to Great Lakes includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, in May 2022, Mr and Mrs G booked a trip with intended departure and return dates of 5 November 2022 and 19 November 2022 respectively. In August 2022, Mr and Mrs G bought a single trip travel insurance policy underwritten by Great Lakes.

Mr and Mrs G say that they first spoke with visa agents in September 2022. In early October 2022, Mr and Mrs G's visa agents told them that the high commission of their intended destination country no longer accepted visa applications from third parties. Mr and Mrs G had to make a visa application in person. Unfortunately, the high commission didn't have appointments until December 2023, which was obviously too late for their trip.

Mr and Mrs G cancelled their trip. Part of the trip costs were refunded by the trip provider. Mr and Mrs G made a claim against their policy for the balance of their costs. Great Lakes declined their claim. It said that what happened here isn't covered by the policy. Great Lakes relied on an exclusion in the policy.

Mr and Mrs G pursued their complaint. They say that full policy terms weren't available to them before they bought the policy and that if they'd known that what happened here was excluded from cover they wouldn't have bought the policy. Mr and Mrs G also complain about Great Lakes' decision to decline their claim. They want Great Lakes to settle their claim.

One of our investigators looked at what had happened. He said that Great Lakes hadn't mis-sold the policy to Mr and Mrs G. The investigator said that Great Lakes didn't give Mr and Mrs G advice about the policy, but it did give them information to enable them to decide whether the policy met their needs. The investigator thought that the information Great Lakes gave to Mr and Mrs G was clear, fair and not misleading.

The investigator said that there's an exclusion in the policy in relation to claims resulting from an inability to travel due to a failure to obtain any required visa. But the investigator didn't think it was fair for Great Lakes to rely on it in this case. That was because Mr and Mrs G had taken reasonable steps to obtain visas in time and the circumstances which led to the claim were outside their control. The investigator thought that it would be fair for Great Lakes to reconsider the claim in line with the remaining policy terms.

Mr and Mrs G accepted the investigator's view but Great Lakes didn't. It said that it was entitled to rely on the exclusion in the policy. Great Lakes said that travellers should apply for a visa before booking a trip. It said it can't be held responsible for changes to

visa rules or any delay by the agent instructed by Mr and Mrs G to obtain their visas. Great Lakes asked that an ombudsman consider the complaint, so it was passed to me to decide.

My provisional decision

On 10 July 2023, I sent both parties my provisional decision in this case in which I indicated that I didn't intend to uphold the complaint. I said:

'the relevant terms and conditions

The starting point is the terms and conditions of the policy, the relevant parts of which say as follows:

'Section 1 Cancellation

Cancellation applies for booked **trips** taking place within the period of cover that **you** are forced to cancel because of one of the following, which are beyond **your** control, and of which **you** were unaware at the time **you** booked **your trip** or purchased the cover (whichever is later).

What is covered:

We will pay **you** up to the amount shown on the table of benefits per **insured person** for **your** non-refundable deposits and amounts **you** have paid (or **you** are contracted to pay), for **your** travel and accommodation (including pre-paid excursions up to £250), which **you** do not use because of the following:

- a) **you**, a **close relative**, **travelling companion** or any person that **you** have arranged to stay with during the **trip** suffers unforeseen **illness**, injury or, death.
- b) **you** abandon **your trip** following a delay of more than 12 hours to the departure of **your** outward **trip** that is covered within Section 5 Travel Delay.
- c) **you** or any person with whom **you** plan to travel being called for Jury Service or being summoned as a witness in a Court of Law (other than in a professional or advisory capacity).
- d) **you** or a **travelling companion** being made redundant, provided **you** qualify for a redundancy payment under current legislation applicable within **your home country**.
- e) the Foreign, Commonwealth and Development Office issue a directive advising against all, or all but essential travel to **your trip destination** because of an earthquake, fire, flood, or hurricane.
- f) **your home** being made uninhabitable or place of business being made unusable, up to 14 days before the commencement of **your trip** due to fire, lightening, explosion, earthquake, subsidence, storm, flood, falling trees, riot or civil unrest, malicious damage, burst pipes, impact by aircraft, the Police requesting **your** presence following a burglary or attempted burglary.
- g) **you** or a **travelling companion** discovering that **you/they** are pregnant after the date of issue of this **policy** or the date the **trip** was booked (whichever was later), if the booked return date is within 8 weeks (16 weeks for a multiple birth) of the expected date of delivery, or **complications of pregnancy**.

h) **yours** or **your travelling companions** passport being stolen during the seven days before **your** departure date.

i) **you** are a member of the armed forces, Police, Fire, Nursing or Ambulance Services and **you** have to stay in **your** country of residence because of an emergency or **you** are posted overseas unexpectedly.'

'What is not covered: under Sections 1 and 2

[...]

16. any claim resulting from **your** inability to travel or continue travelling due to an **insured person's** failure to hold, obtain or produce a valid passport or any required visa in time for the booked **trip**.

[...]

has the claim been declined unfairly?

The relevant rules and industry guidance say that Great Lakes has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I don't intend to uphold Mr and Mrs G's complaint and I'll explain why:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy the onus shifts to the insurer to show how that exclusion applies.
- I've set out above the cancellation section of the policy. The policy provides cover for certain non-refundable costs if the insured is unable to travel for one of a number of specific, listed reasons. Inability to travel because an insured hasn't been able to get a visa they need isn't one of the specific, listed events which Great Lakes covers. So, what happened here isn't an insured event.
- The cancellation section of the policy also sets out a specific list of events which Great Lakes doesn't cover. I've also set that out above. Great Lakes doesn't cover any claim resulting from an insured's inability to travel because they don't have a required visa in time for the booked trip. So, not only is Mr and Mrs G's claim not covered by the cancellation section of the policy but their situation is also specifically excluded by the terms of their contract with Great Lakes.
- I think that Great Lakes was entitled to rely on the policy terms in declining Mr and Mrs G's claim and I don't think that it acted unfairly or unreasonably in doing so. In the particular circumstances here, there are no grounds on which I could fairly direct Great Lakes to cover an event it has decided not to cover. It doesn't alter the outcome here that the visa difficulties were outside Mr and Mrs G's control. The fact remains that what happened here isn't an insured event, so Great Lakes hasn't agreed to take on the risk of insuring losses arising out of difficulties with visa applications.
- Great Lakes didn't advise Mr and Mrs G to take out the policy. That means that it didn't need to check that the policy was suitable for them or met their needs. But Great Lakes is obliged to provide information that's clear, fair and not misleading.

- *Mr and Mrs G say that the policy was mis-sold to them as only a two page summary - not the full policy documents – was available to them at the point of sale. They say that if they'd known about the exclusion they wouldn't have bought the policy. Great Lakes disagrees with Mr and Mrs G about what was available at the point of sale. It says that links to the policy documents were available before purchase. Where the evidence is contradictory, as it is here, I have to decide what I consider is most likely to have happened, in light of the available evidence and the wider circumstances.*
- *Great Lakes has provided screenshots of the customer on-line journey. In the right hand margin of the on-line application form, under the heading 'Useful Links' there are links to the policy terms and conditions. The link is repeated on several pages of the application form. Mr and Mrs G refer to the content of 'non cruise policy documents'. I believe what Mr and Mrs G refer to is the link to the Insurance Product Information Document (IPID), which is a summary of some of the terms and is separate from the link to the policy terms and conditions. On balance, I'm satisfied that Great Lakes provided Mr and Mrs G with sufficient information to enable them to make an informed choice about the policy.*
- *Even if I came to a different conclusion about the information available to Mr and Mrs G at the point of sale, I don't think it would alter the outcome of the complaint. That's because I'm not aware of any travel policy that would cover a cancellation claim in the circumstances that arose here. So, I don't think it was open to Mr and Mrs G to obtain cover from another insurer for what happened here.'*

Responses to my provisional decision

Great Lakes didn't provide a substantive response. Mr and Mrs G responded to say, in summary:

- They have travelled to their intended destination on four previous occasions and it's never been possible to purchase an online tourist visa more than a month before travel. That's why they left it so late to apply. They discovered that online visas had been suspended for UK nationals and that's why they had no alternative other than to apply via a third party agent at considerable cost.
- They now acknowledge that there's a link to the policy documents during the on-line purchase process. The majority of people wouldn't be looking for that link which is why it's in very small lettering.
- The document which sets out the main exclusions in the policy doesn't refer to the fact that the inability to obtain a visa through no fault of your own isn't covered.
- Great Lakes refers to the link at the bottom of the home page as being the full policy wording.
- Insurers bury the small print as they know that the majority of the public will not seek it out, particularly when they've already read the exclusions.
- Great Lakes hasn't acted in accordance with the spirit of regulatory guidelines.

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've looked again at the information Great Lakes made available to Mr and Mrs G. I'm satisfied that Great Lakes provided Mr and Mrs G with sufficient information to enable them to make an informed choice about the policy. There are links to the policy terms and conditions on several pages of the application. I don't agree that it's less prominent than other information. The Insurance Product Information Document is a summary of the main cover and exclusions, so it doesn't show every exclusion.

As I said in my provisional decision, even if I came to a different conclusion about the information Great Lakes made available to Mr and Mrs G, I don't think it would alter the outcome. That's because, I'm not aware of any travel policy that would cover a cancellation claim in the circumstances that arose here.

I remain of the view that Mr and Mrs G's policy doesn't cover what happened here. So, I don't think that Great Lakes acted unfairly in declining the claim.

For the reasons set out above and in my provisional decision, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 19 September 2023.

Louise Povey
Ombudsman