

The complaint

Mr A and Miss G complained to us about Great Lakes Insurance SE's delay in dealing with their travel insurance claims. They later raised their disagreement to Great Lakes' settlement of their claims and further service issues. My references to Great Lakes include its agents.

What happened

Mr A and Miss G had annual multi-trip travel insurance. The relevant sections of the policy are insured by Great Lakes.

While on holiday abroad Mr A and Miss G were involved in an accident resulting in a foot injury for Mr A and facial injury for Miss G. They claimed on the policy for medical/dental treatment they had abroad, Mr A's damaged trousers that had to be cut for his treatment, medications and broken glasses for both of them. Mr A claimed for costs for private medical expenses when he returned to the UK.

Mr A and Miss G also claimed for their delayed flight which Great Lakes paid and there's no dispute about that claim.

In July 2022 Mr A and Miss G complained to us because they hadn't received a decision about their claims. They detailed the delay and poor service they'd received from several businesses they understood were dealing with their claims. They wanted their claims paid.

In October 2022, after Mr A and Miss G complained to us, Great Lakes accepted Mr A's claim and paid some of the costs. It paid for his medical treatment abroad, medication, taxis, his new glasses and his trousers. It didn't pay the costs of his medical treatment in the UK or the cost to repair his old glasses.

Great Lakes deducted two £50 excesses from Mr A's claim settlement, one for costs it paid under the emergency medical expenses section and one for costs it paid under the personal possessions section.

Great Lakes accepted there were unnecessary delays in handling the claim due to a change in the business handling the claim. It waived the £100 excesses as compensation for Mr A and Miss G's distress and inconvenience.

In November 2022 Great Lakes accepted Miss G's claim and paid some of the costs. It said it paid costs for some of her dental treatment abroad, medications and her new glasses. It initially said it didn't pay the costs of her denture adjustment or her dental implant which totalled about £600.

Great Lakes deducted two £50 excesses from Miss G's claim settlement, one for costs it paid under the emergency medical expenses section and one for costs it paid under the personal possessions section.

Mr A and Miss G then raised their concerns with us about Great Lakes' settlement and further service issues. They said:

- Great Lakes unfairly deducted two excesses for Mr A's claim. They think it was one claim relating to all Mr A's losses due to the accident so Great Lakes should deduct one excess.

- The trousers and the glasses weren't 'baggage'. They wanted Great Lakes to pay for the temporary repair of Mr A's glasses abroad which he needed until he returned home and bought new ones.
- Great Lakes should pay Mr A's costs for two x-rays and a private medical consultation in the UK. By the time Mr A returned home, went to A&E and his GP his fracture was no longer considered an emergency. Mr A was in pain and couldn't walk so to avoid waiting for a NHS hospital appointment he paid to see a consultant privately who advised him to have physiotherapy. Mr A chose to have physiotherapy through the NHS, which under the policy he could have had privately paid for by Great Lakes. So it was fair for Great Lakes to pay for the x-rays and consultation which related to the recommended physiotherapy.
- The problems they had in getting assistance from Great Lakes when they were abroad and in the UK meant Mr A's fracture had already started to heal incorrectly when he started treatment in the UK. He had to have his foot re-broken and pinned which meant another three months of physiotherapy which caused stress and inconvenience which Great Lakes should pay for.
- Great Lakes unfairly deducted two excesses for Miss G's claim. The glasses weren't 'baggage'.
- Great Lakes only paid one set of Miss G's medication fees. There were two lots of medication, for the same amount, and Great Lakes should pay both.
- Great Lakes should pay for the further denture treatment Miss G required, and they detailed why they considered that would be fair.
- They want Great Lakes to pay more compensation for their distress and inconvenience due to its general poor service in particular to acknowledge Miss G's time and expenses in chasing Great Lakes to process the claims.

Our investigator said Great Lakes fairly settled both claims. She recommended Great Lakes pay an additional £100 compensation, so £200 in total, for Mr A and Miss G's distress and inconvenience due to its delays in claim handling.

Great Lakes accepted our investigator's recommendation.

Mr A and Miss G disagreed and wanted an ombudsman's decision. In summary they added:

- The policy definition of 'insurance event' meant as their claims arose from one insured event and they had a joint policy Great Lakes should only deduct one excess in total.
- The policy cover for physiotherapy must have been written before Covid-19 as now one couldn't return home from abroad and have an immediate GP and hospital appointment. They asked how Mr A was supposed to get physiotherapy without having private x-rays and consultation when he just had a medical discharge letter not written in English and no x-ray.
- We hadn't looked at what had taken place between 17 January 2022, when they phoned Great Lakes about the accident and 6 June 2022, when Great Lakes asked for more information to assess the claim. If Great Lakes had contacted them it could have told Mr A how to get physiotherapy with the information he had from being treated abroad and not delayed his treatment.

- Miss G's partial denture work was done at the same time as the tooth extraction and if there hadn't been a partial denture the cost for the root extraction would have cost more.

Before I made my decision I asked Great Lakes for its comments on:

1. Mr A's points that around his return to the UK Great Lakes didn't respond to his request for information about what was covered with the physiotherapy and his suggestion that its delay caused him to have further treatment.
2. Mr A and Miss G's suggestion that Great Lakes still owed one lot of Miss G's medication costs.
3. Why it declined the remaining dental costs for Miss G.

Great Lakes responded that:

1. It couldn't respond on this point as it had a different claim handler when Mr A first logged his claim in January 2022.
2. It hadn't paid for Miss G's medication from 17 January 2022 as it couldn't find a receipt to support the payment so Miss G will need to provide another copy of the receipt.
3. It had covered £35 for the tooth removal, £150 for the denture adjustment and £460 for the dental implant. It hadn't paid for the crown implants as they weren't required for immediate relief of pain, which is what the policy covers.

What I provisionally decided – and why

I made a provisional decision that I was partly upholding the complaint. I said:

'Generally we're not able to consider a complaint about a matter before a consumer has complained to the relevant business. That would mean I'd only be able to make a decision about Mr A and Miss G's original complaint about Great Lakes' delay in dealing with their claims.

However, our investigator has given a recommendation on some of the issues Mr A and Miss G later raised with us. And given Great Lakes' delay in dealing with the claims, which it acknowledged, I think it's reasonable for me to try to resolve at least some of the later issues Mr A and Miss G raised. That's why I asked Great Lakes for some more information before I made this provisional decision.

But given Great Lakes' responses to my request for more information about Miss G's claim and its comments around its service potentially impacting on Mr A's treatments I don't think it's right or fair for me to try to resolve those issues as part of this complaint. Mr A and Miss G need to first complain to Great Lakes about those two issues.

I say that because Great Lakes now says it's paid most of the outstanding dental costs Miss G was seeking. If she hasn't received the costs the parties can resolve that issue directly. If she thinks Great Lakes should also pay for her crown implants, taking into account the policy wording, she can complain to it about that issue. Miss G can also provide the missing medication receipt to Great Lakes to assess. If the parties can't reach agreement then she can make a separate complaint to us on that matter.

As for Mr A's new point about compensation for his additional treatment, I've no medical evidence from him that any unreasonable delay did result in him needing further treatment and Great Lakes' response suggests it doesn't think it's responsible for that alleged service issue. I think the best way forward on that matter is for Mr A to send any medical evidence he has in support of his concern with a complaint to Great Lakes for its response.

The policy says the administrator acts on behalf of Great Lakes for the relevant sections of the policy. So it seems to me that Great Lakes is responsible for service to Mr A and Miss G from 17 January 2022, even if the administrator changed the business it used for its claim handling. If Great Lakes still disagrees then it can explain why in detail to Mr A and Miss G so they can complain to the correct business. If agreement can't be reached then Mr A and Miss G can make a separate complaint to us on that matter.

This provisional decision is about Mr A and Miss G's original complaint about Great Lakes' delay around dealing with their claims and whether Great Lakes fairly settled Mr A's claim and applied four excesses in total to Mr A and Miss G's claims.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably.

On the matters which this decision considers I'm partly upholding the complaint. I'll explain why.

A travel insurance policy doesn't cover every situation policyholders find themselves in. The risks and losses an insurer is prepared to cover are set out in the policy terms.

Great Lakes' delay in assessing the claims

It's clear the claims weren't processed as quickly as they should have been. I don't generally award compensation for individual elements of a policyholder's time or cost in making a complaint. Instead I look at the overall distress and inconvenience caused by the insurer's poor service.

Great Lakes doesn't dispute that Mr A and Miss G had to phone numerous times to try to find out what was happening with their claims, their claims couldn't be located and they had to send their claim evidence again to a different email address as the claim handling business had changed since they started the claims.

There was unnecessary and unreasonable delay in Great Lakes settling the claim, which caused Mr A and Miss G distress and inconvenience. I don't think Great Lakes' original payment of £100 compensation was enough but it's now agreed to pay an additional £100, so £200 compensation in total. I think that's a reasonable amount to acknowledge the distress and inconvenience Mr A and Miss G had as a result of its delays in handling the claims.

Excesses deducted

Mr A and Miss G say that because of the policy definition of 'insurance event' Great Lakes should only apply one excess as they only made one claim because all the losses were due to one insurance event. The policy defines 'insurance event' as *'one occurrence, or all occurrences of a series, consequent on or attributable to one source or originating cause, giving rise to a claim'*.

But whether Great Lakes assessed Mr A's claim and Miss G's claim separately or as one overall claim it could still fairly deduct the four excesses. The policy says how it will apply the excess:

'Excess:

The amount of money You will have to pay per person per claim per section towards the cost of a claim'.

Great Lakes made claim payments under section 1 of the policy 'Emergency medical and repatriation expenses' for Mr A and for Miss G. That section has an excess of £50 so a claim for two people under that section means a £100 excess is deductible.

Great Lakes also made claim payments under section 5 of the policy 'Personal possessions' which the policy defines as:

'baggage, clothing and personal effects....taken on... an Insured Journey by You, and which are owned by You'.

So Mr A's trousers and glasses and Miss G's glasses are within the definition of personal possessions. Although the trousers and glasses were damaged as a result of the accident the personal possessions section is the only section that would provide cover for those items in those circumstances. That section has an excess of £50 so a claim for two people under that section means a £100 excess is deductible.

I'm satisfied that Great Lakes fairly deducted a total of £200 for the excesses.

Mr A's glasses repair

Section 5 'Personal possessions' says under the heading 'What is covered':

'The cost of the replacement, reinstatement or (my emphasis) repair of Your Personal Possessions subject to wear and tear and depreciation'.

As Great Lakes paid for replacement glasses for Mr A there's no policy cover for it to also pay for repairing his original glasses.

I understand why Mr A wanted his glasses repaired for while he was abroad but he could have claimed for that cost instead of the replacement glasses. There's no basis on which I can reasonably say Great Lakes has to pay for the repair and replacement of his glasses.

Mr A's x-rays and private consultant costs in the UK

The policy clearly says under Section 1: Emergency medical and repatriation expenses' *'This is not Private Medical Insurance'*.

The costs of private medical treatment aren't generally covered. But the same section does say under the heading 'What is covered':

'Your costs for United Kingdom Physiotherapy...solely in relation to Your continuing medical condition(s) the onset of which during an Insured Journey resulted in a valid claim under this section of Your Policy' (Great Lakes has to pre-authorise those costs).

Mr A didn't pay for his physiotherapy in the UK as he went through the NHS. It was his choice not to ask Great Lakes if it would cover the cost of private physiotherapy in his circumstances.

The policy doesn't cover private x-rays and medical consultations. And there's no basis for me to say it would be reasonable for Great Lakes to pay those costs just because Mr A didn't have his physiotherapy privately.

The policy Mr A and Miss G sent to us is dated 1 September 2021, so after the impact of Covid-19 was known. So I don't think they can reasonably say the policy cover for physiotherapy must have only be written for situations before Covid-19. Mr A and Miss G have told us that the UK hospital A&E department didn't think his fracture was urgent. If A&E had assessed the matter as urgent it could have arranged for a x-ray for Mr A's fracture while he was there but it didn't do so. I've seen no medical evidence that Mr A's GP recommended an urgent referral and from what Mr A and Miss G say the GP didn't think the fracture was urgent.

I understand why Mr A didn't want to wait to be seen through the NHS so he chose to have private x-rays and consultation. But that doesn't mean it's reasonable for Great Lakes to cover those costs, which aren't covered by the policy terms. I'm satisfied that Great Lakes fairly and reasonably declined Mr A's claim for the private x- rays and consultation costs in the UK.

Overall

For the issues I've considered in this decision Great Lakes needs to pay another £100 in compensation for Mr A and Miss G's distress and inconvenience due to its delay in handling their claims, as it's now agreed to do'.

Developments since my provisional decision

Great Lakes didn't respond. Mr A and Miss G gave separate responses which included that their personal circumstances had now changed.

In summary, Mr A said:

- Great Lakes accepted there were unnecessary delays in handling the claim due to the change in the business handling the claim. He believes the change of business caused a complete breakdown in the assistance Great Lakes should have given him initially and particularly on his return to the UK. He urgently needed advice from Great Lakes about what he could and couldn't do but never got that advice.
- In hindsight he should have asked Great Lakes for an emergency medical evacuation when he had the accident which he believes would have solved his problems that followed and meant he would be able to walk now.
- As Great Lakes wasn't contactable he was left to make the decision about whether it was safe for him to take the cast off his leg, which the airline insisted on, when taking the flight home.

- When in the UK he still couldn't successfully contact Great Lakes to ask what he should do about his medical problem. He queried how he would have got pre-authorisation for the private physiotherapy when Great Lakes wouldn't respond to him.
- I'd been mis-informed that he'd gone to A&E. He didn't go as his broken bone was by then three weeks old and wasn't an emergency. But it was urgent to get his broken foot treated and he was in a lot of pain. He phoned a private physiotherapist who wouldn't see him without him having seen a doctor as the physiotherapist couldn't recommend treatment without a x-ray and a report in English. If he'd been able to contact Great Lakes it would have sent him to have a x-ray and report from a doctor before private physiotherapy, so the cost to Great Lakes would have been the same.
- He acted reasonably and in the best interests of his health in arranging his treatment. At one point during his treatment he was told there was a possibility of losing his leg.
- His GP did think his condition was urgent but the Covid-19 situation meant he couldn't easily be seen by the NHS for a x-ray and consultation. So it was reasonable for him to go privately and that enabled him to have NHS physiotherapy quickly. He'd only recently been able to have surgery on his foot through the NHS.
- He could provide medical reports including from the GP, private consultation and surgeon to support his complaint.
- He didn't want to have to make a separate complaint to Great Lakes about its lack of medical assistance service. He'd tried to contact it recently and the phone number he had was invalid. If I wanted him to make a separate complaint I should make it clear that Great Lakes should consider his complaint.

In summary Miss G said:

- Although this was a joint travel insurance the policy terms treated each person named on the policy as a separate individual. She and Mr A don't have a joint bank account. The expenses they incurred were paid for with their respective credit cards. Great Lakes applied the two waived excesses of £50 to Mr A's claim and paid the £100 into his bank account. She was also charged two excesses of £50 but neither of her excesses were waived so she'd received no compensation.
- As there was no joint bank account she queried whose bank account the £100 compensation I'd awarded would be paid into as the compensation was for both of them. Even if she was paid separately it means Mr A gets a total of £150 compensation and she only £50, which wasn't fair when she had been the one who has spent the time and resources dealing with the claims and complaint.
- Great Lakes had wrongly told me it had paid £150 for the denture adjustment and £460 for the dental implant. It had only paid £35 for the tooth extraction. She noted my comments about her complaining directly to Great Lakes on the matter.

Before I made my decision I said to Great Lakes:

1. Would it pay the additional £100 compensation as £50 direct to Mr A and £50 direct to Miss G, even though they had a joint policy.

Great Lakes said if Mr A and Miss G provided it with their own payee details it would pay each £50.

2. Mr A's response to my provisional decision gives much more evidence about why he thinks it would be fair for Great Lakes to pay his claim for a private x-ray and medical consultation in the UK before he had physiotherapy. From his new evidence I now considered that the issue of whether Great Lakes should fairly and reasonably pay that claim is related to Mr A's complaint about how its failure of service affected his medical treatment, which I'd said in my provisional decision should be treated as a new complaint. So I was now intending to say the issue of whether Great Lakes fairly and reasonably declined the claim should be considered as part of the new complaint to Great Lakes that Mr A will be making.

Great Lakes noted that Mr A would be making a new complaint.

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.

Mr A and Miss G haven't commented on my provisional findings that Great Lakes fairly deducted a total of £200 for the excesses, or that Great Lakes fairly declined to pay for the repair as well as the replacement of Mr A's glasses. So I've no reason to change my mind on those matters.

Mr A's response to my provisional findings means I now consider that whether Great Lakes should fairly and reasonably pay his claim for a private x-ray and medical consultation in the UK is related to his complaint about how its failure of service affected his medical treatment, which I'd said in my provisional decision should be treated as a new complaint.

I make no final finding in this decision about whether Great Lakes should fairly and reasonably pay Mr A's claim for a private x-ray and medical consultation.

Mr A will need to make a separate complaint to Great Lakes about the private x-ray and medical consultation as well as its lack of medical assistance. When he makes the complaint it would be helpful to both parties if he sent Great Lakes all the evidence he's given to me in his response, which I've only summarised above, and all the medical evidence he says he has to support the claim and his complaint for compensation for his distress and inconvenience due to Great Lakes' poor service prolonging his medical treatment.

In my provisional findings I explained why I thought Great Lakes is responsible for service to Mr A and Miss G from 17 January 2022, even if the administrator changed the business it used for its claim handling. Great Lakes hasn't provided any evidence to show me it's not responsible so I expect it to deal with Mr A's new complaint.

Our investigator can provide Mr A with the correct email address for him to send his new complaint to Great Lakes. Under the regulator's rules Great Lakes will have eight weeks from when Mr A makes the complaint to provide a response. If it hasn't done so in that timescale, or the parties can't agree, then Mr A can make a separate new complaint to us when he should include all the evidence he's relying on.

As to Miss G's dental claim, she says Great Lakes has wrongly told me it's paid the main costs she was seeking. As I said in my provisional findings, Miss G needs to first complain to Great Lakes about her dental claim before we can consider the matter. What I've said about our investigator providing contact details for Great Lakes and it having eight weeks to

respond from when the complaint is made applies to Miss G too. At the same time Miss G can send the missing medication receipt to Great Lakes to assess. If the parties can't reach agreement then she can make a separate complaint to us on that matter.

I make no finding in this decision on whether Great Lakes reasonably settled Miss G's dental claim and claim for medication.

Mr A and Miss G haven't given any evidence in response to my provisional findings that Great Lakes should pay an additional £100 in compensation for their distress and inconvenience due to its delay in handling their claims, as it's now agreed. So I've no reason to change my mind that the additional £100 is a reasonable amount. That means, together with the waived £100 excess, their total compensation for Great Lakes' delay in handling their claims will be £200.

I note all Miss G says about her not receiving half of the initial £100 compensation through the waived excess. That's a matter Miss G and Mr A will need to resolve between themselves. But for the additional £100 compensation that I've awarded Great Lakes has agreed to send £50 to Mr A and £50 to Miss G once they send it their individual payee details.

Putting things right

Great Lakes must pay Mr A and Miss G an additional £100 in compensation for their distress and inconvenience due to its delay in handling their claims, as it's now agreed. It's agreed to pay the £100 by sending £50 to Mr A and £50 to Miss G once they send it their individual payee details.

My final decision

I partially uphold the parts of Mr A's and Miss G's complaints on which I've made findings in this decision, as I've detailed above.

I require Great Lakes Insurance SE to pay Mr A and Miss G an additional £100 in compensation for their distress and inconvenience due to its delay in handling their claims, as it's now agreed. Great Lakes Insurance SE has agreed to send £50 to Mr A and £50 to Miss G once they send it their individual payee details.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Miss G to accept or reject my decision before 14 September 2023.

Nicola Sisk
Ombudsman