

The complaint

Mr and Mrs W have complained that Great Lakes Insurance SE ('Great Lakes') unfairly declined their claim.

What happened

Mr and Mrs W had a travel insurance policy, underwritten by Great Lakes. They booked a trip and were on their way to the airport in December 2022, where they became stuck in traffic due to an accident and subsequently missed their flight. There were no alternative flights available until the new year and so they had to return home.

Mr and Mrs W made a claim for the costs of the holiday, but Great Lakes said their circumstances weren't covered under the terms of the policy. Mr and Mrs W complained and unhappy, referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Great Lakes had treated Mr and Mrs W unfairly as it had acted in line with the terms and conditions of the policy.

Mr and Mrs W disagreed and felt that Great Lakes should have offered them some compensation for the situation they found themselves in. They said they bought the insurance in good faith, expecting that they would have protection in exceptional circumstances.

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 background is well known to both parties as set out by our investigator, so I won't repeat everything here again. Instead, I will focus on what I consider to be the key facts.
- The policy terms under the missed departure section say the following is covered: *"Your reasonable and necessary additional travel and accommodation expenses (room only) of a similar standard to the original booking, to allow you to reach your trip destination or catch up on your scheduled itinerary (for missed departure on your outward journey) ..."*
- This means Mr and Mrs W were covered for additional costs they would have incurred in getting to their destination. But Mr and Mrs W were unable to get to their

destination as there were no alternative flights until the new year. This means they didn't incur any costs (as they couldn't get to their destination) and so there was nothing for Great Lakes to pay under this section.

- Mr and Mrs W are unhappy that Great Lakes hasn't provided any payment at all as they were unable to travel to their destination due to no fault of their own.
- Insurance companies are entitled to specify the circumstances in which they will pay a benefit and set out the risk they are prepared to cover. There is no cover for Mr and Mrs W to obtain a refund for the missed holiday. There is no other relevant cover or section in the terms which provides a benefit or compensation in their circumstances.
- I realise Mr and Mrs W will be disappointed by my decision and I am sorry that they weren't able to go on their planned holiday. But I can't fairly ask Great Lakes to pay them any benefit under the terms of the policy and I cannot direct it to provide a goodwill gesture.

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 Mr W and Mrs W to accept or reject my decision before 16 January 2024.

Shamaila Hussain
Ombudsman