

The complaint

Mr and Mrs B are unhappy with the service they received from Great Lakes Insurance SE and the settlement of their travel insurance claim.

What happened

Mr and Mrs B had an annual travel insurance policy. In August 2022 they went on a five-week holiday. They planned to visit two countries I'll refer to as 'A' and 'C'.

Unfortunately, Mr and Mrs B tested positive whilst they were in A and were required to self-isolate. They didn't travel to C as planned and returned home. So, they cut short their trip and returned to the UK, missing a significant part of their holiday. They claimed on their travel insurance policy for additional expenses and their trip being cut short.

Great Lakes settled their claim in part but said there was no cover for cutting short a trip due to Covid-19. Mr and Mrs B complained about the settlement of the claim, delays in handling the claim and the mis-leading information they were given whilst abroad. Great Lakes offered £75 for delays but maintained they'd handled the settlement of the claim fairly. Unhappy, Mr and Mrs B complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He said the policy set out the scope of cover for Covid-19 and that the Mr and Mrs B's circumstances weren't covered. He thought the offer made in relation to the delays was reasonable and that Great Lakes hadn't guaranteed they'd cover the curtailment costs. The investigator also thought that Mr and Mrs B were most likely to have returned home anyway in the circumstances rather than continue their trip.

Mr and Mrs B accepted the investigator's findings in relation to the scope of cover for Covid-19. However, they felt they'd been given misleading advice whilst they were abroad. They explained that they'd had a very challenging time in the lead up to their holiday and were hit hard by becoming unwell with Covid-19. They said that whilst abroad they were trying to understand their options so that they could make an informed decision. Mr and Mrs B also highlighted that they weren't told that they weren't covered whilst abroad and that there were significant delays when handling their claim which resulted in a lot of stress and a very substantial loss of their time. So, I need to make a 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.

The relevant rules and industry guidelines say that Great Lakes has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably. They should provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

I have a lot of empathy with the circumstances in which Mr and Mrs B found themselves,

particularly given what they'd said about their unexpected family bereavement shortly before their trip.

The key remaining issues for me to consider are the information given to Mr and Mrs B whilst they were abroad and the handling of their claim on their return.

The advice and information given to Mr and Mrs B by Great Lakes and their agents

I've thought carefully about what Mr and Mrs B have said about the advice and information given to them whilst abroad. They were in a difficult position bearing in mind the restrictions in place in C, the nature of their travel plans and how they were feeling after contracting Covid-19.

Even if I accepted that Great Lakes could have been clearer that the curtailment of the holiday may not be covered when Mr and Mrs B were abroad, it doesn't automatically follow that I uphold their complaint.

Great Lakes made no commitment to cover that aspect of the claim and gave general guidance about the cover the policy offered. I think that was reasonable in the circumstances of this case. In reaching this conclusion I've considered that Mr and Mrs B didn't require emergency medical assistance and were directed to pay and claim on their return.

I've also thought about whether Mr and Mrs B would have done anything differently if they'd known that the curtailment of their holiday wouldn't be covered. As Mr B acknowledged he couldn't say for certain what they would have done. I accept they may well have explored the restrictions in C in greater detail or attempted to continue their trip.

However, based on the evidence that's available to me I think, on balance, it's most likely they'd have chosen to return home. Mr and Mrs B had already spent 10 days of their holiday in isolation. If they continued to C there was a risk they'd spend a further 10 days in isolation if they tested positive on entry. I've also considered that Mr and Mrs B said in their supporting notes to their claim:

At the time of the calls on the 23/8 we were still unwell and symptomatic, but felt we were slowly starting to improve. However, it was very clear to us that we would not be well enough to continue with our holiday, not likely to pass C's strict Covid immigration requirements requiring us to be completely symptom free and not to have Covid in the 10 days prior to entry. Failure to pass immigration would have resulted in a further compulsory 10 day quarantine at our own cost.

The further quarantine was likely to have been at their own cost due to the policy limit for quarantine as they'd already utilised that benefit because of the first period of self-isolation.

Taking all of the above into account I'm not persuaded Mr and Mrs B would have chosen to continue with their trip had they been advised that their unused holiday costs wouldn't have been covered.

I'm very sorry to disappoint Mr and Mrs B, particularly when they've incurred such a lot of out of expense by missing the rest of their holiday, but I'm not persuaded that Great Lakes acted unfairly or unreasonably in the circumstances of this case.

Delays in claims handling

Mr and Mrs B's claim for expenses which weren't related to the curtailment of the holiday were settled within around ten weeks of the claim having been submitted. Great Lakes

accepts that there were delays in handling the claim. This led to Mr and Mrs B having to chase on a number of occasions via a series of calls which Mr B says totalled around four hours.

I accept that this was inconvenient and added to the stress Mr and Mrs B experienced, particularly when claiming for a significant sum of money. However, I think the offer of £75 fairly reflects the impact caused by having to chase for updates and the time taken spent on phone calls.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 9 November 2023.

Anna Wilshaw
Ombudsman