

## **The complaint**

Mr and Mrs C complain that Great Lakes Insurance SE has turned down a cancellation claim they made on an annual travel insurance policy.

## **What happened**

In August 2022, Mr and Mrs C took out an annual travel insurance policy through a broker, which I'll call T. The policy was underwritten by Great Lakes. Cover under the policy began on 13 October 2022.

Mr and Mrs C and their family were due to travel abroad on 14 October 2022. However, sadly, shortly before they were due to travel, they learned that a close family member had been given a terminal prognosis. This meant Mr and Mrs C weren't able to travel as planned.

On 7 October 2022, they visited their travel agent to look into potential holiday options. They say they were told their options were limited and to contact their insurer. Mr C says he called Great Lakes from the travel agent and was told that a cancellation claim would be covered. So Mr and Mrs C say they cancelled their holiday on that basis.

Great Lakes turned down Mr and Mrs C's claim. It said cover under the policy didn't start until 13 October 2022. But the holiday had been cancelled six days beforehand. So Great Lakes concluded the claim wasn't covered by the cancellation section of the policy.

Mr and Mrs C were unhappy with Great Lakes' decision, as they maintained they'd relied on the information it had given them about cover before deciding to cancel their trip. They asked us to look into their complaint.

Ultimately, our investigator concluded that it had been fair for Great Lakes to turn down Mr and Mrs C's claim. She felt the policy documentation made it clear that policy cover didn't start until 13 October 2022. But the holiday had been cancelled before the policy started.

She'd asked Great Lakes if it could locate copies of the calls Mr and Mrs C had made on 7 October 2022. Great Lakes was unable to do so. But the investigator didn't think that even if Mr and Mrs C had wrongly been told their claim was covered, she could fairly say that Great Lakes should pay the claim. That's because Mr and Mrs C had told us that it was unlikely that their trip could have been rearranged at an affordable cost. So the investigator felt Mr and Mrs C would still have cancelled their trip, even if they had known their claim wouldn't be covered.

The investigator didn't think it was clear whether Mr and Mrs C had called T or Great Lakes. But in any event, she noted that Great Lakes was prepared to pay Mr and Mrs C £100 compensation to recognise the trouble and upset its handling of the claim had caused them. And she felt this was a fair award of compensation to put things right.

Mr and Mrs C disagreed. They said that if Great Lakes had told them a claim wouldn't be covered, they wouldn't have cancelled their holiday. They also felt Great Lakes had asked for personal, unreasonable information about their relative. They considered the proposed

compensation was an insult to injury. They questioned why the phone calls had not been provided.

The complaint's been passed to me to decide.

### **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, whilst I'm very sorry to disappoint Mr and Mrs C, I think Great Lakes' offer to pay them £100 compensation is a fair outcome to this complaint and I'll explain why.

First, I'd like to offer my sincere condolences to Mr and Mrs C for the sad loss of their close relative. I don't doubt what a difficult and upsetting time this has been for them and their family.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the policy terms and the available evidence, to decide whether I think Great Lakes has treated Mr and Mrs C fairly.

#### *The policy terms and conditions*

I've first considered the policy terms and conditions, as these form the basis of the contract between Mr and Mrs C and Great Lakes. Mr and Mrs C took out an annual policy through their broker, T. Pages five and six of the contract terms include a section called 'Start and end of cover'. This section includes the following term:

*'Annual multi-trip policies:*

***Cover for the Cancellation of Your Insured Journey starts on the date shown as the start date on Your Policy Schedule or from the date the Insured Journey is booked (whichever is later) and ends when You leave Your Home to start Your Insured Journey or at the end of the Policy Period (whichever is sooner). All other cover under this Policy starts when You leave Your Home to start Your Insured Journey and ends when You return to Your Home to end Your Insured Journey or at the end of the Policy Period (whichever is sooner).***' (My emphasis added).

I've looked carefully at Mr and Mrs C's policy schedule, which sets out the cover Great Lakes agreed to provide. When they took out the policy through T, they opted for cover to begin on 13 October 2022. However, they learned that their relative had been given a terminal prognosis on 2 October 2022. And they cancelled their holiday on 7 October 2022 – six days before cancellation cover began. So I don't think I could reasonably find that Great Lakes acted unfairly when it concluded that cancellation cover on the policy hadn't begun at the point the trip was cancelled.

#### *The telephone calls*

Mr and Mrs C have provided evidence of two calls they made on 7 October 2022, the day they cancelled their holiday. They say that they called Great Lakes, explained their situation and were told that their money could easily be refunded through a cancellation claim. Given the timings of the call, I accept that Mr and Mrs C made calls to a business they believed to be Great Lakes to discuss their situation.

Unfortunately, Great Lakes has been unable to trace the calls Mr and Mrs C say they made to it. It's provided us with a copy of its searches, on the day in question, using Mr C's phone number. So I'm satisfied it's made reasonable attempts to try and locate the calls. It appears from the evidence that Mr and Mrs C may have called a number associated with T instead. It simply isn't clear whether Mr and Mrs C spoke with Great Lakes or T. And in the absence of the calls, I can't determine exactly what they were told. It's possible they were wrongly told by Great Lakes or by T that a cancellation claim would be paid.

In either event though, I don't think I could fairly find that any potential misinformation Mr and Mrs C were given by T or by Great Lakes caused them to suffer a financial loss they wouldn't otherwise have done. I appreciate Mr and Mrs C now say that if they hadn't been told their claim would be covered, they wouldn't have cancelled their trip. However, Mr and Mrs C previously told us that their travel agent had informed them their holiday options were limited. They said their booked hotels wouldn't move their booking dates due to the late request. And the airline could only move the flights within 12 months of the date of booking (up to August 2023), with an additional cost of £6800. They told us this wasn't financially viable for them and the additional cost hadn't been possible. They said too that they were limited to two weeks, which was why they'd looked to book in October.

As such, on balance, it seems to me that even if Mr and Mrs C had been told their policy didn't cover their situation, they'd still most likely have chosen to cancel their trip. It seems there was little other option available to them. And so I don't think I could reasonably conclude that Mr and Mrs C's position was prejudiced by any potential misinformation they might have been given. Accordingly, I don't find there are any reasonable grounds upon which I could direct Great Lakes to pay this claim.

Great Lakes has offered to pay Mr and Mrs C £100, to represent delays in its overall handling of the claim. In my view, this is a fair, reasonable and proportionate award to reflect the material impact of its claims handling on Mr and Mrs C during an upsetting time for them. So I'm directing Great Lakes to pay Mr and Mrs C £100 compensation.

### **My final decision**

For the reasons I've given above, my final decision is that Great Lakes has made a fair offer to settle this complaint.

I direct Great Lakes Insurance SE to pay Mr and Mrs C total compensation of £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 5 February 2024.

Lisa Barham  
**Ombudsman**