

## **The complaint**

Mr A complains that Great Lakes Insurance SE has turned down a claim he made on a travel insurance policy.

## **What happened**

In April 2023, Mr A was flying to a country I'll call J. Unfortunately, the flight was unable to land and so it flew back to the airport. Mr A says he wasn't able to rebook another flight and therefore, he felt he had no choice but to cancel his pre-booked hotel in J. He made a claim for the costs of the cancelled hotel.

Great Lakes turned down Mr A's claim. That's because it said the policy specifically excluded claims which were caused by the provider of any part of the booked trip failing to supply the booked service or transport. In this case, as the reason for Mr A's claim was the airline's failure to land at his destination, Great Lakes concluded the claim was excluded by the policy terms.

Mr A was unhappy with Great Lakes' decision and he asked us to look into his complaint.

Our investigator didn't recommend that Mr A's complaint should be upheld. She didn't think the claim was covered by any section of Mr A's policy. So she thought it had been fair for Great Lakes to turn down Mr A's claim.

Mr A disagreed and so 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 sorry to disappoint Mr A, I don't think it was unfair for Great Lakes to turn down his claim and I'll explain why.

First, I'd like to reassure Mr A that while I've summarised the background to his complaint and his submissions to us, I've carefully considered all he's said and sent us. Within this decision though, I haven't commented on each point he's made and nor do our rules require me to. Instead, I've focused on what I think are the key issues.

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 terms of Mr A's policy and the circumstances of his claim, to decide whether I think Great Lakes treated him fairly.

I've first considered the terms and conditions of Mr A's policy, as these form the basis of his contract with Great Lakes. Our investigator considered whether Mr A's trip was covered under the cancellation section of the policy. In my view, Mr A's trip was actually cut short. I say that because at the point the plane had to turn around mid-air, Mr A had travelled to the airport, had boarded the plane and his flight was underway. So it seems to me that his trip

had already begun and actually had to be curtailed as a result of the flight being unable to land in J.

In any event, I've looked at whether the claim would be covered under either the cancellation or curtailment sections of the policy. So I've looked at the specific, defined events Great Lakes has listed as covered under these sections of the contract.

The policy says that Great Lakes will cover the cancellation of a trip, if it's cancelled for one of the following reasons:

*'a) you, a close relative, travelling companion or any person with whom you have arranged to stay 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 being made redundant, provided you qualify for a redundancy payment under current legislation applicable within your home country.  
e) your presence is required by the Police because of accidental damage, burglary, flooding or fire which has affected your home, and has occurred within 48 hours before the start of your trip, when the damage is in excess of £1,500.  
f) 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.'*

Cover for 'Cutting Short Your Trip' is provided if a policyholder's trip has to be curtailed for one of the following reasons:

*'a)an unforeseen illness, injury or death of you, a close relative, travelling companion or any person with whom you have arranged to stay during the trip.  
b) you or any person with whom you plan to travel being called up for Jury Service or being summoned as a witness in a Court of Law (other than in a professional, or advisory capacity).  
c) accidental damage, burglary, flooding or fire affecting your home, occurring during your trip, when the loss relating to your home is in excess of £1,500 or your presence is required by the Police in connection with such events.'*

Both the cancellation and 'cutting short your trip' sections include a list of events which Great Lakes has decided to specifically exclude from cover. I've set out below what I consider to be the key exclusion in the circumstances of this complaint:

*'What is not covered*

*failure by the provider of any part of the booked trip to supply the service or transport (whether as the result of error, insolvency, bankruptcy, liquidation, omission, default or otherwise), unless the event is specifically covered by this policy. You should direct any claim in this case to the provider involved.'*

I think the policy terms and conditions clearly set out the insured events Great Lakes has chosen to cover. No travel insurance policy provides cover for every eventuality and we won't generally tell an insurer what risks it should and shouldn't cover.

In this case, Mr A feels that his claim should be accepted and settled in line with the cancellation cover for the abandonment of a trip after a flight has been delayed by more than 12 hours. Abandonment cover applies if the departure of a policyholder's first outward or

final inward international travel is delayed by more than 12 hours due to strike or industrial action; adverse weather; failure of air traffic control systems or mechanical breakdown. I've considered this point very carefully.

But I don't think I could fairly or reasonably conclude that Mr A's claim is covered by this particular clause. That's because there's no evidence that the *departure* of Mr A's flight was delayed by more than 12 hours. There's no suggestion that the flight didn't take off on time. Instead, it's unfortunate that it seems Mr A's flight couldn't land at the point of arrival. And it also isn't clear why the flight couldn't land or why it had to turn around. So it isn't clear that the flight turned around because of bad weather, or mechanical failure, for example. Nor do I think Mr A's claim falls within the scope of any of the other insured events Great Lakes has listed under the cancellation and 'cutting short your trip' sections of the policy.

And, based on all I've seen; I don't think it was unfair for Great Lakes to rely on the specific exclusion I've set out above either. Whether Mr A's trip was cancelled or curtailed, the reason he wasn't able to continue with his trip and incurred lost hotel costs was because his flight couldn't land and had to turn back. I don't find Great Lakes acted unreasonably when it concluded that this was a failure of the airline to supply Mr A with the service he'd booked. And I think the policy makes it clear that Great Lakes won't pay claims which happen because of the failure of a transport provider to supply any part of the booked trip.

So despite my natural sympathy with Mr A's position because I appreciate this situation was entirely outside of his control, I don't find Great Lakes acted unfairly when it concluded that his claim wasn't covered. And I don't think there are any reasonable grounds upon which I could fairly direct Great Lakes to accept and settle Mr A's claim.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 January 2024.

Lisa Barham  
**Ombudsman**