

## **The complaint**

Mr and Mrs L complain about Great Lakes Insurance SE's settlement of their travel insurance claim and about its service. My references to Great Lakes include its agents.

## **What happened**

Mr and Mrs L had annual multi trip travel insurance with cover starting on 31 May 2022. Great Lakes was the insurer for the relevant sections of the policy. Mr and Mrs L say that while they were on holiday abroad in July 2022 they both tested positive for covid-19 resulting in them having to extend their stay abroad. They had to pay extra costs for their accommodation, flights, a taxi, and medication and medical treatment for Mr L.

Mr and Mrs L claimed on the policy for those extra costs and the full cost of their holiday. They sent an invoice signed by the doctor who attended Mr L abroad which noted Mr L had covid-19.

Great Lakes accepted the claim and paid some of the costs. It didn't pay Mrs L's additional accommodation and flight costs as it said there was no evidence to show she had tested positive for covid-19. Initially it only paid half the taxi costs, but ultimately paid the full amount. Great Lakes didn't pay the cost of the holiday which it said wasn't covered by the policy terms in Mr and Mrs L's circumstances.

Mr and Mrs L complained to us. They want their full claim paid. In summary they said:

- They'd both tested positive for covid-19 using lateral flow tests but only Mr L needed medical attention and Great Lakes should have accepted their word that Mrs L also had covid-19.
- Mrs L had to look after Mr L while he was ill abroad and on the journey home so her costs should be covered under a section of the policy terms, which they detailed.
- The taxi costs would have been the same just for Mr L.
- Great Lakes' claim handling had been very poor including delays and mistakes about what costs to pay.

Our investigator said Great Lakes had reasonably settled the claim. He recommended Great Lakes pay Mr and Mrs L £175 in compensation for their distress and inconvenience due to its poor service.

Mr and Mrs L disagree and want an ombudsman's decision. They said dealing with Great Lakes had been an extremely stressful experience, far more than they would encounter in their daily lives, and they want more compensation. In summary they added:

- Great Lakes' service didn't comply with Part 1 Chapter 4 of the Consumer Rights Act 2015, and they detailed why they thought so.
- It was difficult for a reasonable person to understand the cover wording 'hidden within' the policy compared to the Insurance Product Information Document (IPID).

Any reasonable person would presume the partner of the person with covid-19 would be covered as the carer for an extended stay and transport home as with other medical issues which appeared to be covered.

### **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.

I've considered all the points Mr and Mrs L have made but I won't address all their points in my findings. I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

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

I'm sorry to disappoint Mr and Mrs L but I think Great Lakes reasonably settled the claim. I don't think Great Lakes fairly handled the claim but I'm satisfied that the £175 compensation our investigator recommended is a reasonable amount. I'll explain why.

### Settlement of the claim

The IPID is a two page document which provides a summary of the main coverage and exclusions of the policy. It says:

*'What is not insured?  
Covid-19, or any related/mutated form of the virus. Unless cover is specified within the policy wording'.*

The 'General exclusions' section of the policy terms says:

*'No section of this policy shall apply in respect of...  
Claims arising from, or related to any coronavirus including but not limited COVID-19, or any related/mutated form of the virus. Unless specifically listed as covered by this policy'.*

Mr and Mrs L say that cover for covid-19 is difficult to work out through the policy documents. But I think the IPID and policy document are clear that there is cover for covid-19 related claims only as set out in the policy terms.

The only section of the policy terms that applies to Mr and Mrs L claim is 'Section 18 – COVID-19 Cover'.

Section 18 provides cover for cutting short a holiday, which in effect is what happened as Mr and Mrs L were about mid-way through their holiday when their claim arose. But the policy terms only cover cutting short a holiday due to covid-19 if this is due to:

*'(a) the death as a result of COVID-19, of a close relative or a member of your household living in the United Kingdom.  
b) the hospitalisation as a result of COVID-19 for treatment with mechanical ventilation, of a close relative or a member of your household living in the United Kingdom.  
(c) you are unable to continue with a pre-booked excursion following your self-isolation as ordered by a relevant Government authority due to contracting COVID-19, up to a maximum of £350 for all excursions'.*

The insured events at (a) and (b) above weren't the circumstances of Mr and Mrs L claim. I've seen no evidence that the insured event at (c) above applied to Mr and Mrs L.

So I'm satisfied that Mr and Mrs L's claim for the cost of all or part of their original holiday wasn't covered by the policy terms. And I don't think there's any basis on which I can reasonably say Great Lakes should pay that part of the claim.

Great Lakes accepted the other parts of the claim, but didn't pay for Mrs L's portion of the additional accommodation and flight costs. The policy terms at section 18 includes a list of what isn't covered which says:

*'What is not covered...*

*2. claims relating to any person contracting COVID-19, where this is not proven by a medically approved test showing a positive result for COVID-19'.*

And the policy terms set out the claims evidence required for a claim under section 18:

*'We will require (at your own expense) the following evidence where relevant:*

*1. a copy of the positive test result for COVID-19 you received from a registered medical practitioner'.*

As there's no evidence from a registered medical practitioner to show Mrs L also tested positive for covid-19 her portion of the additional costs aren't covered by the policy terms. I think it's reasonable for Great Lakes to want some independent evidence of a test result and there isn't any for Mrs L. Mr and Mrs L say Great Lakes didn't tell them in their first phone contact what they needed to provide to show a positive test result for the claim. But the policy is clear what's required. I think Great Lakes acted reasonably in not paying Mrs L's portion of the accommodation or flight costs.

The policy wording that Mr and Mrs L referred to under section 18 says there's cover for *'extra transport and accommodation for you and one other person who stays with you... if this is necessary due to medical advice'*. But the relevant paragraph in the policy is clear that those terms only apply to travel solely within the UK, Jersey or the Isle of Man, which isn't where Mrs L's extra costs arose.

Mr and Mrs L say they and any reasonable person could assume Mrs L's extra costs as carer to Mr L would be covered. But I think the policy is clear enough that there's only cover for those costs in specific circumstances, which weren't the circumstances of Mr and Mrs L's claim.

Overall I'm satisfied that Great Lakes' settlement of the claim was reasonable.

### Claim handling

Mr and Mrs L have referred to the Consumer Rights Act 2015 but it's for the courts, not this service, to decide if a contract breaches legislation. However, I take into account the relevant law as well as industry guidelines and good practice in deciding if an insurer has acted fairly and reasonably.

Great Lakes accepted in its final response letter that there was a delay in the assessment of the claim as further information was required, it didn't return a telephone call and there were errors in its claim calculation which it had to correct. Great Lakes apologised for its service but I don't think the apology is enough.

I don't agree with all the points Mr and Mrs L have made about Great Lake's service, for example I don't think Great Lakes was responsible for all the delay in finalising the claim. But Great Lakes' service wasn't what Mr and Mrs L could reasonably expect and it's clear they were stressed and inconvenienced by the poor service. I agree with Mr and Mrs L that the stress and frustration they've had is more than they would encounter in their daily lives so I think a compensation award is appropriate.

### **Putting things right**

I'm satisfied that the £175 compensation is a reasonable amount for Mr and Mrs L's distress and inconvenience due to the poor service issues by Great Lakes.

### **My final decision**

I partly uphold this complaint and require Great Lakes Insurance SE to pay Mr and Mrs L £175 compensation for their distress and inconvenience due to its poor service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 2 February 2024.

Nicola Sisk  
**Ombudsman**