

The complaint

Ms R complains that Great Lakes Insurance SE declined her claim against her travel insurance policy. Reference to Great Lakes includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, on 14 February 2023, Ms R planned a UK train trip with intended departure and return dates of 21 February 2023 and 22 February 2023 respectively. She bought a train ticket for a total amount of £61.44, which included £2 for a single trip, train ticket cancellation insurance policy.

On 20 February 2023, the train operator told Ms R that her departing train was cancelled. Ms R decided to cancel her trip. The train operator refunded the outward part of her train travel. Ms R made a claim against her policy in relation to the cost of the return journey and unused accommodation costs. Great Lakes refunded the cost of the return journey as a gesture of goodwill but didn't reimburse Ms R for the unused accommodation costs. It said that the policy doesn't cover unused accommodation costs following the cancellation of a train by a train operator. Ms R didn't think that was fair and pursued her complaint.

Ms R says that she was stranded at home because her outbound train was cancelled, so the policy covers what happened here. She questions whether the policy was mis-sold to her. Ms R wants Great Lakes to settle her claim for unused accommodation costs and compensation of £500 in relation to the time she's spent on this matter.

One of our investigators looked at what had happened. She didn't think that Great Lakes had acted unfairly or unreasonably in declining Ms R's claim. The investigator said that Ms R wasn't stranded under the terms of the policy, as she didn't start her trip. She said that what happened here wasn't covered by the policy and, in any event, there was an exclusion in relation to cancellation by a train operator.

Ms R didn't agree with the investigator. She said that she couldn't start her trip because the train operator cancelled her train. Ms R said that the policy provides for reimbursement of an overnight stay due to missed departure following cancellation by the train operator. She reiterated her concerns that the policy was mis-sold to her.

The investigator considered what Ms R said but didn't change her view. Ms R asked that an ombudsman consider her complaint, so it was 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.

The relevant rules and industry guidance say that Great Lakes has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I don't uphold Ms R's complaint and I'll explain why:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general terms, insurers can decide what risks they wish to cover.
- Section one of Ms R's policy – '**Train ticket cancellation**' - covers travel costs – not unused accommodation costs - if she is unable to undertake her insured journey due to certain, specified reasons. Those reasons don't include cancellation of the train by the train operator in the circumstances that arose here. So, what happened here isn't an insured event.
- Even if I came to a different conclusion about that, there are two relevant exclusions in the policy. One excludes cover for cancellation claims following an insured's disinclination to travel. Ms R, quite understandably, decided to cancel her trip because of reported travel chaos following the cancellation of her outward train. A claim following disinclination to travel is excluded from cover. There's also an exclusion in relation to cancellation of an insured journey by a train operator.
- Ms R says that Great Lakes should settle her claim under section two, '**Stranded traveller**'. I'm afraid I don't agree. That section includes cover for reasonable expenses for alternative travel arrangements where an insured arrives too late to board the train or where there's disruption requiring an overnight stay away from home for certain, specified reasons which aren't relevant here. In any event, the exclusions I've referred to above also apply to this section of the policy.
- Ms R questions whether the policy was mis-sold to her. Great Lakes didn't give Ms R advice about the suitability of the policy. But it's required to give Ms R information that's clear, fair and not misleading, so that she can make her own decision about whether the policy is suitable for her.
- I've looked at the information Great Lakes made available to Ms R. The Insurance Product Information Document (IPID) is a summary of cover. Under the heading '**What is not insured?**' it says, '*Your disinclination to travel...*'. I've also looked at the policy terms. I think they are sufficiently clear to enable Ms R to make an informed choice about whether the policy was right for her.
- I'm sorry to disappoint Ms R but, for the reasons I've explained, I don't think that Great Lakes acted unfairly or unreasonably in declining her claim for unused accommodation costs. There are no grounds on which I can fairly direct Great Lakes to settle her claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 28 December 2023.

Louise Povey
Ombudsman