

## The complaint

Mr B complains about Red Sands Insurance Company (Europe) Limited (Red Sands) rejecting a claim under his pet insurance policy, on the grounds that the policy didn't provide cover for issues caused by a pet's behavioural problems.

## What happened

Mr B had a cat covered by a pet insurance policy with Red Sands. In May 2021 Mr B noticed the cat attempting to urinate inside his house and a local pet store recommended a urinary health product. But later the same day Mr B took the cat to an emergency vet as he'd noticed blood in the cat's urine. The vet diagnosed cystitis and administered treatment.

In accordance with the claims procedure for the policy, the vet submitted a claim form for the cost of treatment to Red Sands. Red Sands then contacted Mr B to say that they'd assessed the claim but were declining it as the condition had been referred to as 'stress related cystitis'. Red Sands said that this arose from a behavioural problem with Mr B's cat, adding that, under the terms of the policy, treatment of conditions arising from behavioural problems was excluded.

Unhappy at Red Sand's position, Mr B contacted the vet who treated his cat and they told Red Sands that the cat had shown symptoms of cystitis, which they considered to be a case of idiopathic<sup>1</sup> cystitis. The vet added that while stress plays a role in triggering that type of cystitis, it wasn't a behavioural problem (but pathophysiological<sup>2</sup>). Red Sands considered what the vet had said but concluded that it didn't prove the condition wasn't behaviour related. They said they would review the claim if Mr B could provide further evidence and tests to prove that the cause wasn't due to stress.

Mr B complained to Red Sands, but they didn't uphold his complaint. In their final response they said that notes on the claim submitted from the visit to the vet indicated that the cat had been stressed due to fox cubs in the garden of Mr B's property and that the cat's medical history included reference to the cat having been seen with 'stress-related cystitis'. Red Sands went on to say that as the condition was stress-related, the policy didn't provide cover, pointing to the policy exclusion for the cost of treatment for behavioural problems. Red Sands also said that as the vet had given no cause of the cystitis, they considered the cystitis was stress-related and so fell within the exclusion. Based on this they maintained their decision to decline the claim.

Unhappy at Red Sands' response, Mr B complained to this service. The main part of his complaint was that Red Sands had unfairly declined his claim. He maintained that the cat's condition wasn't the result of stress or a behavioural problem, so Red Sands had unfairly applied the behavioural problems exclusion. He wanted Red Sands to accept his claim and pay for the cost of treatment.

Our investigator didn't uphold Mr B's complaint. He concluded the evidence from the vet's case notes was that the condition of Mr B's cat was related to stress, despite the further

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<sup>1</sup> Meaning 'unknown cause' (source: Miriam-Webster Dictionary)

<sup>2</sup> Defined as 'the effects of disease on body function' (source: Collins Dictionary of Medicine)

statement that the cystitis wasn't a behavioural condition. The investigator noted that the policy definition of a 'behavioural' condition was a change in the normal behaviour of a pet indicating the pet experiencing a negative emotional state. Based on the evidence the investigator concluded that it was reasonable to conclude that the cat was experiencing stress and that consequently there had been a change in the cat's behaviour. Therefore, Red Sands had acted in line with the policy terms and conditions in declining the claim.

Mr B disagreed with the investigator's conclusions and requested an ombudsman review the complaint. The key reason for disagreeing was the vet's view that it wasn't a behavioural issue, so it was unfair for Red Sands to reject the claim under the behavioural clause.

In my findings, I disagreed with the investigator's view that Red Sands had acted fairly in declining the claim. I wasn't persuaded by Red Sands' argument that the vet's view that the cystitis wasn't caused by a behavioural issue didn't prove that the condition wasn't behaviour related. I noted the vet's clear opinion that, while stress played a part in cystitis, the case was idiopathic cystitis (there wasn't a clear cause) and that behavioural problems weren't the cause. I also noted the approach of this service is that the onus is on insurers to show that an exclusion applies, I didn't think it reasonable for Red Sands to say the vet's conclusion didn't prove the condition wasn't behaviour related.

Based on these considerations, I concluded that Red Sands hadn't, on the balance of probabilities, done enough to show that they acted fairly and reasonably in applying the exclusion to decline the claim.

Because I disagreed with the investigator's view, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below.

*What I've provisionally decided – and why*

*I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*My role here is to decide whether Red Sands has acted fairly towards Mr B.*

*The main issue in Mr B's complaint is whether Red Sands acted fairly in applying the policy exclusion for behavioural problems to decline the claim. Mr B says that they acted unfairly in applying the exclusion, pointing to the statements from his vet that the problem (cystitis) wasn't caused by a behavioural issue. Red Sands view is that other evidence from the case notes and claim indicate that the cystitis was stress-related and that this meant that they'd acted fairly in applying the exclusion. Red Sands also argue that as no cause of the cystitis had been provided, they considered it was stress-related and so fell within the exclusion.*

*I've considered both views carefully. Where a policyholder makes a claim, the onus is on them to show that an insured event (peril) applies. In this case, there's no doubt that Mr B's cat had a condition that required treatment, for which the vet submitted a claim (and supporting case notes). But where an insurer relies on an exclusion to decline a claim, the onus is on them to show the exclusion applies - it isn't for the policyholder to show that it doesn't apply.*

*The wording of the exclusion applied by Red Sands is contained within Section 1: Vet Fees of the policy, under the heading "1.3 Exclusions", which states:*

*"The following are excluded from cover:*

*...1.3.12 The cost of any treatment for behavioural problems, training or therapy of for any conditions arising out of the same.”*

*The policy doesn’t specifically define ‘behavioural problems’, but it defines ‘behavioural condition’ as:*

*“...a change in the normal behaviour of your pet that signals your pet is experiencing a negative emotional state.”*

*Red Sands maintain that the cystitis was related to stress, pointing to the case notes that mention stress as well as the medication prescribed being to reduce stress. Red Sands also say that the vet’s view that the cystitis wasn’t caused by a behavioural issue didn’t prove that the condition wasn’t behaviour related.*

*I’ve considered this view carefully, but I’m not persuaded by it. While the claim form and associated medical history do refer to stress, the specific diagnosis on the case notes simply states ‘cystitis’. I’ve also considered the vet’s clear opinion that, while stress plays a part in cystitis, having examined the cat at the time of the treatment the case was considered to be idiopathic cystitis (so there wasn’t a clear cause). The vet also states that, in their opinion, behavioural problems weren’t the cause. In considering the vet’s view, Red Sands say that that as no cause of the cystitis had been provided, it didn’t prove the condition wasn’t behaviour related. However, given our approach is that the onus is on insurers have to show that an exclusion applies, I don’t think it was reasonable for Red Sands to say that the vet’s conclusion didn’t prove that the condition wasn’t behaviour related.*

*Based on these considerations, I’ve concluded that Red Sands haven’t, on the balance of probabilities, done enough to show that they acted fairly and reasonably in applying the exclusion to decline the claim. Given this conclusion, to put things right I think Red Sands can’t rely on the exclusion to decline the claim and should assess the claim in line with the remaining terms of the policy.*

*My provisional decision*

*For the reasons set out above, my provisional decision is that I to uphold Mr B’s complaint. I intend to require Red Sands Insurance (Europe) limited to:*

- *Assess the claim in line with the remaining terms of the policy.*

Mr B didn’t respond by the date requested for comments.

Red Sands responded to say that they had no further information to provide.

### **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 I remain of the view that the complaint should be upheld.

As neither Mr B nor Red Sands have provided any further information or substantive comments, I haven’t changed my view to uphold Mr B’s complaint and my final decision and reasoning remains the same as my provisional decision.

### **My final decision**

For the reasons set out above, it's my final decision that I uphold Mr B's complaint. I require Red Sands Insurance (Europe) limited to:

- Assess the claim in line with the remaining terms of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 March 2022.

Paul King  
**Ombudsman**