

The complaint

Mrs A said Building Block Insurance PCC Ltd unfairly declined a claim on her pet insurance policy for vet and hospital treatment costs.

What happened

Mrs A took her pet to the vets where it was diagnosed with colitis. She'd taken out a pet insurance policy with Building Block. But it'd declined her claim because the pet previously had symptoms of diarrhoea. Mrs A said her vet had confirmed it wasn't the same illness. So she wants Building Block to pay for her vet diagnosis and hospital fees.

Building Block said Mrs A's claim had been declined correctly as the condition was pre-existing. The policy didn't provide cover for any claim made during, or related to, the 14-day waiting period after the policy started. And it didn't cover any claim for illness related to a pre-existing condition or one that showed signs of existing before the policy started.

Building Block said the pet had been seen by vets in October 2020 with a five-day history of diarrhoea. It was seen just afterwards with signs of vomiting and diarrhoea. And a diagnosis of isospora, campylobacter and giardia had been reached. Mrs A's pet had been diagnosed with colitis on 26 June 2021 after signs of diarrhoea and lethargy.

Building Block felt the clinical signs and symptoms of the condition were present during the waiting period and should be considered pre-existing. So it said the claim had been correctly declined under the policy terms and conditions.

Mrs A wasn't satisfied with Building Block's response. So she contacted our service and our investigator looked into the matter. Our investigator looked at whether Building Blocks had fairly relied on the pre-existing condition and waiting period exclusion. She could see the treatment Mrs A's pet had received for diarrhoea had taken place during the first 14 days of the policy. But Mrs A hadn't claimed for that treatment.

Mrs A was claiming for colitis treatment in June 2021. And our investigator didn't think Building Block had provided any medical evidence to show the signs of colitis were present during the waiting period. She accepted the symptoms were similar but there'd been no indication the pet had been unwell between the two episodes. And the similar symptoms didn't mean the pet was showing signs of colitis in October 2020 when the policy started.

Our investigator found the vet's evidence persuasive. The vet had indicated the earlier illness was due to a bacterium and it was unlikely the conditions had the same underlying cause.

So she asked Building Block to pay Mrs A's claim in line with the remaining terms of the policy. And she said it should add 8% simple interest per year if Mrs A had already settled the invoice.

Building Block didn't agree with our investigator. So it's asked for an ombudsman's final decision.

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.

Most pet insurance policies don't provide cover for the cost of a treatment related to something that existed before the policy started. And it's not unusual for policy to have a waiting period at the start of the cover that excludes any condition that starts, or shows signs of starting, during the first two weeks of the policy cover.

Mrs A's pet showed symptoms of diarrhoea for five days from 22 October 2020. Further signs of vomiting and diarrhoea were noted on 28 October and led to a diagnosis of isospora, campylobacter and giardia by the vet.

Building Block says the symptoms were noted within the 14-day waiting period after the policy was taken out in October 2020. So it felt it'd correctly declined Mrs A's claim as the treatment was related to the symptoms identified during the waiting period.

There are many causes of colitis, including the parasites noted by the vet in October 2020. But there are other possible causes for colitis including stressful events and food allergies. And the bacteria campylobacter, also noted by the vet in October, can cause diarrhoea symptoms without necessarily indicating an underlying colitis condition.

Where Building Block has relied on the exclusion clause for signs or symptoms of a pre-existing condition to decline Mrs A's claim, I'd expect it to show it was entitled to do so. But I've not seen any evidence from Building Block to show a link between the diarrhoea episodes in October and the diagnosis of colitis the following year.

Mrs A has provided a letter from her vet explaining the original diarrhoea was due to infectious agents that caused gastrointestinal problems. And the vet said it was highly unlikely the treatment claimed for in June 2021 had the same underlying cause. Although the pet was treated for similar symptoms on both occasions it doesn't necessarily follow that the October symptoms were the cause of the condition claimed for in June the following year.

In the absence of any other evidence I think it's fair and reasonable to rely on the vet's expert opinion that the two treatments were unrelated. It follows that I don't think Building Block has acted fairly in declining Mrs A's claim due to it being related to a pre-existing condition.

I wouldn't expect Building Block to cover the costs of the initial treatment in October 2020. It was within the 14-day waiting period after the policy started. And I've not seen anything to suggest Mrs A has asked the insurer to do so.

But I do think Building Block unfairly declined Mrs A's claim for colitis treatment in June 2021. There are a number of possible causes for colitis. The vet believed the colitis was unrelated to the earlier treatment for diarrhoea.. And Building Blocks hasn't done enough to persuade me to disregard the vet's expert opinion.

Putting things right

It follows that I don't think Building Block has acted fairly and in line with the terms and conditions of the pet insurance policy in declining Mrs A's claim. To put things right Building Block should pay Mrs A's claim in line with the remaining terms of the policy. And if Mrs A has already settled the vet's invoice it should add 8% simple interest per year from the date Mrs A paid her vet until the date Building Block refunds her.

My final decision

My final decision is that I uphold this complaint. I direct Building Insurance PCC Ltd to follow the steps I've outlined in 'putting things right' above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 25 April 2022.

Andrew Mason
Ombudsman