

## **The complaint**

Mrs G complains that Building Block Insurance PCC Ltd declined her pet insurance claim and about its service. My references to Building Block include its agents.

## **What happened**

Mrs G took out pet insurance for her dog in November 2018, insured by Building Block. The policy covered a condition for 365 days from the onset of the condition, subject to the policy limit of £1,000. She renewed the policy each year. For the policy year starting November 2020, a £90 excess and 15% co-payment was payable for a vet fee claim as her dog was over 8 years old.

On 15 January 2021 Mrs G's dog was seen by specialist vets following an emergency presentation of pyrexia (raised temperature), abnormal respiratory sounds and lethargy. Investigations diagnosed pancreatitis. Mrs G claimed for the specialist vets cost of about £2,000.

Building Block declined the claim. Initially it said the dog's vet history showed symptoms of the condition started before Mrs G took out the policy and pre-existing conditions weren't covered by the policy. After Mrs G complained Building Block accepted the pancreatitis wasn't a pre-existing condition. Instead Building Block declined the claim as it said the symptoms of pancreatitis first showed in early January 2020 so the treatment claimed for was outside of the 365 day period of cover for the condition.

Mrs G complained to us. She said the early 2020 vet records stated her dog had colitis and didn't mention pancreatitis. Her regular vet had written to Building Block to say her dog hadn't been treated for pancreatitis until seen by specialist vet in 2021 but Building Block had ignored the letter. She believed Building Block hadn't understood the difference between the treatment of colitis and the treatment of pancreatitis.

Mrs G wants Building Block to pay her claim and compensation for her distress and inconvenience caused by it making errors in assessing and declining the claim.

Our investigator said Building Block had seemed to confuse the treatment of colitis and pancreatitis so it had unfairly declined the claim. He recommended Building Block pay the claim to the policy limit of £1,000 less the excess and co-payment. He also recommended Building Block pay Mrs G £150 for her unnecessary distress and inconvenience caused by its handling of the claim.

Building Block disagreed and wanted an ombudsman's decision.

## **What I provisionally decided – and why**

I made a provisional decision that I was intending to uphold the complaint but for different reasons and with a different outcome than our investigator recommended. I said:

'I have to decide whether Building Block fairly and reasonably declined the claim and gave reasonable service, and I don't think it did. I'll explain why.'

Building Block accepted it couldn't decline the claim on the basis that pancreatitis was a pre-existing condition. For the avoidance of doubt, I don't think the evidence from the vet notes show that Mrs G's dogs did have symptoms of pancreatitis before she took out the policy in November 2018 so the pancreatitis wasn't a pre-existing condition.

Ultimately Building Block declined the claim because Mrs G's dog's vet notes of 14 February 2020 said:

*'From story it sounds like poss colitis over last 6-8ww. Intermittent diarrhoea very diet dependent.. slimy stool at best. ... Abdo v noisy'.*

Building Block understood from that vet note that the dog's symptoms had been ongoing for 6-8 weeks before 14 February 2020 which would take the start of symptoms to early January 2020 at the latest. As the treatment claimed for was from 15 January 2021 the claim treatment would fall outside of the 365 day period of cover if those symptoms had been symptoms of pancreatitis.

Building Block isn't saying that the conditions of colitis and pancreatitis are the same. It's saying that the dog's symptoms, which were initially diagnosed as colitis, were really symptoms of pancreatitis even though pancreatitis wasn't diagnosed until much later. But I've considered all the vet evidence and I don't think that's a reasonable conclusion for Building Block to make.

In February 2020 and April 2020 Mrs G's dog was seen by his regular vet with the only symptoms being with his stools. On both occasions the vet recorded colitis as the likely cause.

It was only from July 2020 that the dogs showed discomfort and on 16 July the vet noted that the dog could have chronic pancreatitis. In December 2020 the dog was seen by the vet due to discomfort, although on that occasion a lumbar issue was suspected. On 15 January 2021 the dog went to the regular vet due to pyrexia, abnormal respiratory sounds and lethargy. Those were very different symptoms to the dog's February 2020 symptoms.

The dog was referred to the specialist vet as an emergency. The specialist vet's report of 15 January 2021 said the results of investigations were *'compatible with acute pancreatitis'* although chronic pain couldn't be disregarded. He recommended reassessment four weeks later. On 17 February 2021 the specialist vet saw the dog again, the test results were unremarkable and the vet report's conclusion was that the dog was *'doing well and has improved markedly'*. So it seems the specialist vet considered that acute pancreatitis was the problem in January 2021.

The letter of 13 May 2021 from the dog's regular vet said:

*'As can be seen from the notes made over the last few years which you already have and which will, for clarity, accompany this. There has never been any suspicion or mention of pancreatitis until considered by (the specialist vet) earlier this year. He has been seen and treated for ear infections, lameness and colitis but never pancreatitis'.*

I think the evidence from the vet notes suggest that the dog's symptoms in February and April 2020 related to the separate condition of colitis and that the symptoms of pancreatitis started in July 2020 at the earliest. I think the treating regular vet's letter is strong evidence that Mrs G's dog did have the separate condition of colitis. They treated the dog and it's reasonable for me to consider that they would have known if the February 2020 were

symptoms of pancreatitis rather than the separate condition of colitis. I don't think there's sufficient evidence for Building Block to reasonably conclude that the symptoms seen in February 2020 were the start of the symptoms of pancreatitis.

That means I don't think Building Block fairly declined the claim on the basis that the treatment claimed for fell outside the 365 day period of cover for pancreatitis. I think the fair and reasonable outcome is for Building Block to pay the claim to the policy limit of £1,000 and if Mrs G's already paid the vet it should add interest as I've detailed below.

Our investigator said Building Block should pay the claim to the policy limit of £1,000 less the £90 excess less 15% co-payment, so payment to Mrs G would be £773.50. But I think the fair outcome is for Building Block to pay Mrs G £1,000 (the policy limit) for her claim without deducting the £90 or co-payment excess. The policy says the excess and co-payment aren't insured but I don't think that's clear enough that Mrs G would never be able to actually receive the maximum policy limit of £1,000 under the policy because of how the excess and co-payment would be applied. And we generally don't think it's fair and reasonable when the claim is for more than the policy limit, as here, for an insurer to deduct the excess from the policy limit otherwise the consumer will never be able to claim up to the limit.

I think Building Block's handling of this claim could have been much better. There wasn't any evidential basis for the reasoning for its initial decline of the claim and it could have better explained its alternative reasoning for the decline to Mrs G. I think it's fair for Building Block to pay Mrs G compensation for her distress and inconvenience it unnecessarily caused and that £150 is a reasonable amount'.

### **Responses to my provisional decision**

Building Block and Mrs G both said they had no further comments.

### **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.

As Building Block and Mrs G have no further comments I have no reason to change my mind. For the reasons I've given in my provisional decision and this decision I don't think Building Block fairly declined the claim and I don't think it gave Mrs G reasonable service. I uphold the complaint and Building Block must put things right as I've detailed below.

### **Putting things right**

Building Block must pay Mrs G £1,000 for her claim which is the policy limit for her vet fees claim. If Mrs G's already paid the vet it should add interest as I've detailed below.

Building Block must also pay Mrs G £150 compensation for her distress and inconvenience its handling of the claim caused.

## **My final decision**

I uphold this complaint.

I require Building Block Insurance PCC Ltd to pay Mrs G:

- £1,000 which is the policy limit for her vet fees claim. If Mrs G's already paid the vet fees interest\* must be added at 8% simple a year from the date she paid the fees to the day of settlement, and
- £150 compensation for her distress and inconvenience its handling of the claim caused.

\*If Building Block Insurance PCC Ltd considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mrs G how much it's taken off. It should also give Mrs G a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 30 March 2022.

Nicola Sisk  
**Ombudsman**