

## **The complaint**

Mrs W complains about Building Block Insurance PCC Limited (BBI) rejecting a claim under her pet insurance policy for treatment to her dog.

References to BBI include their agents who administer the policy.

## **What happened**

Mrs W had a dog covered by a pet insurance policy with BBI taken out in October 2020. In December 2020 the dog was seen by a vet with a problem passing stools and again the following month with diarrhoea. A digestive system inflammation was suspected. The symptoms recurred and the dog was seen again in May 2021. An ultrasound examination was carried out, but no definitive diagnosis was reached for the dog's condition. Mrs W subsequently made a claim for the cost of treatment.

BBI considered the claim but rejected it. They referred to the dog's clinical history, specifically to previous episodes of vomiting and soft stools (February 2018), diarrhoea (March 2018 and September 2018). Based on this, they said the dog had a pre-existing condition prior to the policy being taken out, which meant the policy wouldn't cover the cost of the treatment in May 2021.

Unhappy at the decline of her claim, Mrs W complained to BBI. But they didn't uphold the complaint. In their final response, they referred to the clinical history and maintained their view that the dog had shown clinical signs and symptoms of the condition before the policy started. As such, the condition was pre-existing and excluded from cover. So, they confirmed the decision to decline the claim.

Mrs W then complained to this service, saying BBI had unfairly declined her claim. She said her dog hadn't had any issues from the first treatments in 2018 to the subsequent problems (and the nature of the problems weren't the same). She also said the cause of the problems in 2018 hadn't been diagnosed, but she thought it could have been related to the dog's habit (at the time) of eating plants and drinking pond water. She wanted BBI to accept her claim and pay for the cost of treatment.

Our investigator upheld Mrs W's complaint, concluding BBI hadn't acted fairly. While the clinical history indicated similar symptoms between the episodes in 2018 and 2020/2021, she thought it wasn't fair to decline the claim on that basis. She thought the symptoms could have had different underlying causes. She also noted a two-year gap between the incidents and no mention of similar symptoms when the dog was seen by the vet between those dates. She also noted the views of Mrs W's vet that the two episodes weren't related. As BBI were using the pre-existing condition exclusion to decline the claim, the onus was on them to show it applied. She didn't think BBI had shown this. To put things right, she thought BBI should settle the claim in line with the remaining terms and conditions of the policy (taking account of the policy excess and those costs that weren't recoverable under the policy).

BBI disagreed with the investigator's conclusions, and requested an ombudsman review the complaint.

## 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.

My role here is to decide whether BBI has acted fairly towards Mrs W.

The main issue in Mrs W's complaint is whether BBI acted fairly in applying a policy exclusion for pre-existing conditions to decline her claim. Mrs W says her dog hadn't had any issues from the first treatments in 2018 to the subsequent problems (and the nature of the problems weren't the same). She also points to the views of her vet, that the two episodes weren't related. BBI refer to the clinical history of the dog and say the dog had shown clinical signs and symptoms of the condition before the policy started. As such, the condition was pre-existing and excluded from cover.

I've considered both views carefully. Where a policyholder makes a claim, the onus is on them to show that an insured event applies. In this case, there's no doubt that Ms B's dog had a condition that required treatment for which she made a claim. 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 exclusion applied by BBI is for a pre-existing condition, which the policy defines as:

*"Any diagnosed or undiagnosed Condition which has occurred or existed, or has shown signs or symptoms of existing in any form before the Policy Start Date..."*

A similar term is included under the *Veterinary Fees* section of the policy, under the heading *"What is not insured?"*, which states:

*"5 Any claim for Illness or Accidental Injury that relates to a Pre-existing Condition or that showed signs of existence before Your Policy Start Date."*

I've considered both views carefully, together with the supporting information and evidence, including the medical history and the views expressed by Mrs W's vet. On balance, I'm not persuaded (given the onus is on them) that BBI have shown there was a pre-existing condition that caused the issues for which the dog was treated in May 2021. So, I've concluded they didn't act fairly and reasonably in using the exclusion to decline the claim. I'll set out why I've come to that view.

Looking at the medical history, the incidents in 2018 refer to soft stools and diarrhoea. While possible causes were discussed, no clear diagnosis of an underlying cause (or condition). Following those incidents, the dog attended the vet clinic for vaccinations later in 2018 and then late 2019. It wasn't until December 2020 that the dog presented with symptoms that weren't the same as the symptoms in 2018. The vet indicated a suspected digestive system inflammation. When the symptoms presented in May 2021, similar symptoms were noted alongside runny faeces. The subsequent scan didn't provide a clear diagnosis of the cause of the symptoms (or any underlying condition). Based on this, I don't think it's reasonable to conclude the two episodes – particularly given the gap of over two years between the episodes – were linked and the result of the same, pre-existing condition.

I've also taken account of there being no clear diagnosis of underlying cause (or condition) either in 2018 or in 2021, together with the views of Mrs W's vet that the episodes in 2018 and 2021 weren't related.

Given I've concluded BBI haven't acted fairly to rely on the pre-existing condition exclusion to decline Mrs W's claim, I've thought about what BBI need to do to put things right. As I don't think they can rely on the exclusion, then they should settle the claim in line with the remaining terms and conditions of the policy, including any policy excess. BBI excluded items totalling £137.55 from the claim, on the grounds they relate to vet bills more than 90 days old (which the policy says won't be reimbursed). I think that policy term is clear, so BBI have applied it reasonably to decline that part of the claim.

If Mrs W has already paid for the cost of treatment, then in addition BBI should pay interest on the assessed amount to settle the claim at the rate of 8% simple from the date Mrs W paid the cost of treatment to the date Mrs W tells us she accepts my decision (if she accepts the decision).

### **My final decision**

For the reasons set out above, my final decision is that I uphold Mrs W's complaint. I require Building Block Insurance PCC Limited to:

- Assess Mrs W's claim in line with the remaining terms of the policy, including any policy excess (as appropriate).

If Mrs W has already paid for the cost of treatment, then in addition BBI should pay interest on the assessed amount to settle the claim at the rate of 8% simple from the date Mrs W paid the cost of treatment to the date she tells us she accepts my decision (if she accepts the decision).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 4 August 2022.

Paul King  
**Ombudsman**