

## **The complaint**

Miss F complains about Covea Insurance plc (Covea) declining a claim under her pet insurance policy for treatment of her dog.

References to Covea include their agents who administer the policy.

## **What happened**

In February 2021 Miss F bought a dog from a private seller. When she bought the dog, Miss F took out her pet insurance policy with Covea and was aware that pre-existing conditions wouldn't be covered. But she thought the dog was in good health. The dog had previously been registered with a third-party vet practice (P) and the previous owner said the dog didn't have any known health issues.

However, a couple of months later the dog experienced breathing difficulties and she took the dog to a vet. The vet suspected a condition called Brachycephalic Obstructive Airway Syndrome (BOAS), a condition affecting short nosed dogs and cats leading to breathing difficulties. The vet said the dog required an operation, which Miss F agreed to be carried out. An operation was carried out which, with additional procedures to treat complications that arose, cost a total of £8,259.

Miss F was aware the policy had a limit for the cost of treatment of any one condition of £6,000 so paid the additional £2,259 to the vet. She made a claim to Covea for the £6,000 she thought would be covered under the policy. However, Covea declined the claim, saying her dog had a known similar, pre-existing condition to BOAS in 2020 from the clinical history of the dog they'd obtained from P.

Miss F was unhappy about Covea's decline of her claim, particularly as she wasn't aware of any existing pre-conditions. So, she complained to Covea.

Covea didn't uphold the complaint. In their final response they said as a first claim under the policy, they required the dog's full clinical history (including with the previous owner). The clinical notes from by P showed they diagnosed the dog as having BOAS and recommended the previous owner have treatment for the condition. So, it was clear the condition was pre-existing and therefore excluded from cover. While Covea accepted Miss F wasn't told of the previous BOAS diagnosis, the policy terms and conditions were clear the pre-existing condition exclusion applied whether or not the policyholder was aware of the condition.

Unhappy at Covea's response, Miss F complained to this service. She said she hadn't been aware of the dog's clinical history, even though she'd requested it from P and the previous owner said the dog didn't have any known health conditions. So, they wouldn't have known about the previous BOAS diagnosis. Miss F said she couldn't afford to pay the outstanding vet's bill and that she'd been let down by the previous owner withholding information about the dog's clinical history. That meant she couldn't have known about the condition. She wanted Covea to accept the claim.

Our investigator upheld Miss F's complaint, concluding Covea hadn't acted fairly. She thought the clinical history indicated the dog had shown signs of BOAS before Miss F bought the dog. But she thought Miss F genuinely thought the dog was in good health and hadn't been aware of the previous indications of BOAS. So, she didn't think it fair for Covea to treat Miss F's claim for the cost of the operation for BOAS as relating to a pre-condition. To put things right, she thought Covea should consider the claim under the remaining terms and conditions of the policy (without relying on the exclusion for pre-existing conditions). She also thought Covea should pay Miss F £150 in compensation for distress and inconvenience.

Covea disagreed with the investigator's conclusions, and requested an ombudsman review the complaint. In disagreeing, Covea said, firstly, there was no evidence the dog's clinical history wasn't provided to Miss F at the point she bought the dog. Secondly, Miss F accepted the dog was 'in a bad state' when she purchased it (rescued it). This indicated a pre-existing health condition. Thirdly, the clinical history indicated the dog had a visibly flat nose, which Miss F would have been aware of when she purchased the dog (a flat nose was an indicator of potential BOAS). Fourthly, when taking out cover Miss F had recorded the dog as a crossbreed whereas it was of a specific breed (which was known to be at higher risk of BOAS). Finally, they didn't think it was relevant whether Miss F was aware of the pre-existing BOAS condition, as the policy terms were clear that if a condition was pre-existing at the point the policy was taken out, a claim would not be accepted. They didn't think the issue was (as our investigator's view suggested) whether Miss F made a misrepresentation (by the pre-existing BOAS condition not being disclosed when the policy was taken out).

### **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.

First, I'd like to say to Miss F that I appreciate what she's said about the circumstances in which she acquired her dog, as (as she saw it) a rescue dog. I'm pleased the operation seems to have been successful in alleviating the BOAS condition in her dog. I also understand why she feels let down by the previous owner not telling her about the dog's clinical history and that she wasn't able to obtain the clinical history from P when she acquired the dog. However, my role here is to decide whether Covea have acted fairly towards Miss F.

The main issue in Miss F's complaint is whether Covea acted fairly in declining her claim for the operation on her dog for the BOAS condition, on the grounds that the dog's clinical history indicated it had previously had BOAS before Miss F purchased the dog. She says she wasn't aware of the dog's clinical history and the previous owner said the dog didn't have any known health conditions. So, she wouldn't have known about the dog's clinical history, including the previous BOAS diagnosis.

For their part, Covea say the dog had a pre-existing condition (BOAS) and as such the policy was clear that it excluded pre-existing conditions from cover. So, they acted in accordance with the policy terms and conditions in applying the exclusion. They also make several specific points in responding to our investigator's view. I'll look at those points separately, after considering the main issue of whether it was fair to apply the exclusion.

On the main issue of the decline of the claim because of the exclusion for a pre-existing condition I've considered both views carefully, including the relevant terms and conditions of the policy (particularly those referred to by Covea in their final response) together with the supporting information and evidence, including the vet's notes and the clinical history of Miss F's dog (including that from P). Looking at the policy terms and conditions first, the policy defines 'Pre-existing Conditions' as:

*“Any illness or injury that:*

- Happened or first showed clinical signs; or,*
- Has the same diagnosis or clinical signs as an injury, illness or clinical sign your pet had; or,*
- Is caused by, relates to, or results from, an injury, illness or clinical sign your pet had; before the start date of your policy or within the first 48 hours for injuries and first 14 days for illnesses, of the start date of your policy; no matter where the illness or clinical signs appear, are noticed or happen in, or on, your pet’s body.”*

Under the *Your Cover* part of the policy, *Section 1: Veterinary Fees*, there’s a sub-heading *What is not covered?* that includes the following:

- “Any pre-existing illness or injury, illness within the first 14 days or injury within the first 48 hours.”*

I think these conditions (exclusions) are clear (and would have been clear to Miss F at the time she took out her policy). So, pre-existing conditions (illnesses) that were present (or first showed clinical signs) aren’t covered under the policy. When making her complaint to this service, Miss F also said she was aware pre-existing conditions wouldn’t be covered. It’s also industry practice for pet insurance policies to often exclude pre-existing conditions.

I’ve then considered the question of whether the dog did have a pre-existing condition, specifically BOAS (the condition for which the operation was carried out and which Miss F made her claim). Looking at the dog’s clinical history from the previous vet, there are several references (at various points in 2020) to ‘moderate BOAS indicated’, ‘Suspect BOAS’ and to breathing difficulties. Taken together, I’m persuaded BOAS was present in the dog before Miss F became its owner and would be a pre-existing condition under the definition above.

The terms of the policy also provide that (by accepting the policy) policyholders give Covea permission to obtain information relevant to a claim from the policyholder’s vet; any previous vet, specialist or third party (that Covea request). So, in obtaining the dog’s previous clinical history, Covea were acting in accordance with the policy terms and conditions.

Taking all these points into account, I think it’s clear the dog did have a pre-existing condition (BOAS) for which it had received treatment before Miss F became its owner, as well as the operation she subsequently had carried out on the dog. Given the policy exclusion for pre-existing conditions set out above, Covea acted in accordance with the policy terms and conditions in declining the claim.

However, Miss F maintains she wasn’t aware of the dog’s pre-existing condition where she became its owner and she thought the dog was in good health and the previous owner said the dog didn’t have any known health issues. I don’t have any reason to doubt what Miss F has said and that she wasn’t aware of the previous clinical history (particularly as Covea’s case notes record Miss F telling them P wouldn’t release the history to her because of data protection restrictions, at the point when Covea had asked her for details of the dog’s clinical history). This would have meant Miss F wouldn’t have been aware of the occurrence of BOAS or associated symptoms.

Also, looking at the previous clinical history, while BOAS is referred to, it isn’t specifically mentioned for nearly a year before Miss F acquired the dog (the most recent reference is to conjunctivitis). Which suggests the BOAS condition wasn’t chronic or should have been apparent to Miss F when she acquired the dog. I can understand why she feels she was misled by the dog’s previous owner, given the previous clinical history strongly indicates the

previous owner would have been aware of the BOAS condition. Miss F also says the dog appeared healthy and that she wouldn't have acquired it had she thought it was unhealthy (or had a pre-condition).

Taking all these points together, I'm not persuaded Miss F would clearly have known something was wrong with the dog at the point she acquired it. As I don't think she could reasonably have known there was a problem with the dog, I've concluded Covea acted unfairly in declining her claim.

While I've come to this conclusion, I've also considered the other points raised by Covea when disagreeing with our investigator's view. On their first point (there was no evidence the dog's clinical history wasn't provided to Miss F at the point she bought the dog) I don't agree. It's not for Miss F to prove the clinical history wasn't provided – it's for Covea to show that she was. As they haven't, I don't accept their point. I've also noted what Miss F told Covea about P being unwilling to provide the clinical history to her (subsequently) because of data protection restrictions.

Covea's second point is that Miss F accepted the dog was 'in a bad state' when she acquired it. However, I've not seen the evidence to support this. I have seen reference to Miss F believing the previous owner had treated the dog badly – but that's not the same as the dog having a pre-existing condition (the grounds on which Covea declined the claim).

On the third point, that the clinical history indicated the dog had a visibly flat nose (being an indicator of potential BOAS), again I don't think that's relevant as the key issue isn't whether a characteristic of the dog may have indicated potential (as opposed to actual) BOAS. It's whether Miss F would reasonably have been aware of the pre-existing condition (which I've concluded isn't the case.)

The fourth point is that Miss F recorded the dog as a crossbreed whereas it was of a specific breed (which was known to be at higher risk of BOAS). Looking at the evidence, it's not clear whether then dog was a crossbreed or a specific breed – I've noted the previous clinical history of the dog records it as a crossbreed. But again, I don't think it's relevant to the key issue, which is not whether the dog *potentially* was at risk of a pre-condition (BOAS), but whether there was clear evidence that it *actually* had the [pre] condition. While the previous clinical history confirmed that was the case, as I've concluded Miss F couldn't reasonably have been aware of the condition, I don't agree with Covea's point.

Taking all these points into account, I've concluded Covea haven't acted fairly in declining Miss F's claim. Given my conclusion, I've thought about what Covea need to do to put things right. As I don't think they've acted fairly in applying the pre-existing condition exclusion to decline the claim, they should settle the claim in line with the remaining terms and conditions of the policy (taking account of any policy excess). As Miss F has already paid the £2,259 part of the vet's bill above the £6,000 policy limit, I think it's reasonable for Covea to settle the £6,000 balance due to the vet (taking account of any excess).

On the question of compensation, I recognise the impact the decline of her claim has caused Miss F – particularly given her personal circumstances. As well as the financial impact, the situation would have been very stressful for Miss F at a time when such stress would have affected her wellbeing. Taking the circumstances into account, I think £250 in compensation for distress and inconvenience would be reasonable.

### **My final decision**

For the reasons set out above, my final decision is that I uphold Miss F's complaint. I require Covea Insurance plc to:

- Settle Miss F's claim in accordance with the remaining terms and conditions of the policy (taking account of any policy excess). As Miss F has already paid the £2,259 part of the vet's bill above the £6,000 policy limit, I think it's reasonable for Covea to settle the £6,000 balance due to the vet (taking account of any excess).
- Pay Miss F £250 in compensation for distress and inconvenience.

Covea Insurance plc must pay the compensation within 28 days of the date on which we tell them Miss F accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 24 August 2022.

Paul King  
**Ombudsman**