

The complaint

Mr M complains that Building Block Insurance PCC Ltd (BBI) declined his pet insurance claim. My references to BBI include its agents.

What happened

Mr M had pet insurance for his dog, insured by BBI. He claimed for vet fees relating to his dog's diabetes.

BBI reviewed Mr M's dog's vet records and declined the claim. It said the policy didn't cover claims for treatment as a result of Mr M's dog being overweight and the vet records showed that the dog was classed as being obese.

Mr M complained to us. He said his vet had told BBI that the diabetes wasn't caused by his dog's weight and BBI should pay the claim.

BBI acknowledged Mr M's vet's comments that there are numerous factors relating to diabetes. But it said as obesity contributed to insulin resistance an overweight dog may be at higher risk of developing the condition.

Our investigator said on the evidence she had BBI had unfairly declined the diabetes claim. She recommended BBI settle the claim in line with the remaining policy terms.

BBI disagree and want an ombudsman's decision. It didn't provide any further evidence.

Mr M also complained to us about BBI not covering a claim for emergency treatment for his dog's abscess. Our investigator correctly explained that Mr M first needed to complain to BBI about that matter and if the parties couldn't agree then Mr M could make a separate complaint to us on that matter.

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.

This decision is only about Mr M's claim for vet fees relating to his dog's diabetes. I need to decide whether BBI fairly and reasonably declined that claim, and I don't think it did. I'll explain why.

The policy says under the heading 'Veterinary Fees':

'What is not insured:

Claims as a result of Your pet being overweight or underweight and this results in Your pet needing Treatment’.

The Insurance Product Information Document (IPID), which summarises the main points of cover says:

‘What is not insured...

If in the opinion of a vet your pet is overweight, and this results in your pet needing treatment’.

So I think the policy documents are clear that claims as the result of Mr M’s dog being overweight aren’t covered by the policy.

I’ve looked at Mr M’s dog’s vet records, there is evidence that he had been overweight and Mr M hasn’t disputed that his dog was overweight.

The issue is whether BBI has provided sufficient evidence that Mr M’s dog’s diabetes was caused by him being overweight.

Mr M’s vet told BBI:

‘Diabetes mellitus in dogs is generally considered a type 1 disease (like the types seen in humans) and occurs due to loss of cells that produce insulin in the pancreas. There are numerous predisposing factors for diabetes in dogs and many potential aetiologies including infection, autoimmune, pancreatitis, etc. Obesity can be a predisposing factor, but in no way is this a direct causative factor. From what I can understand in your exclusion, it appears that you have deemed (dog’s name) diabetes a direct cause of him being overweight. In my professional opinion, this is incorrect and extremely inappropriate and therefore, would strongly advise you revise this exclusion’.

So the treating vet’s opinion is that, while a dog being overweight can increase the potential for diabetes, Mr M’s dog’s diabetes wasn’t caused by him being overweight. I think the opinion of the treating vet, who saw and assessed the dog, is persuasive.

BBI hasn’t provided any vet evidence to dispute Mr M’s vet’s evidence. I accept that a dog being overweight can increase the potential for diabetes. But for BBI to be able to fairly rely on the exclusion it needs to provide evidence that Mr M’s dog’s weight caused his diabetes. As I don’t think BBI’s provided that evidence I don’t think it fairly relied on the exclusion to decline the diabetes claim. It must put things right as I’ve detailed below.

Putting things right

BBI must settle the claim in line with the remaining policy terms. If Mr M has already paid the vet then BBI should add interest to the settlement as I’ve detailed below.

My final decision

I uphold this complaint.

Building Block Insurance PCC Ltd must settle the diabetes claim in line with the remaining policy terms. If Mr M has already paid the vet then interest* should be added at 8% simple a year from the date Mr M made the payment to the date of settlement.

*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 Mr M how much it’s taken off. It should

also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 May 2022.

Nicola Sisk
Ombudsman