

The complaint

Mr S has complained that Casualty & General Insurance Company (Europe) Ltd unreasonably refused to pay his claim under his pet policy. As a result, it also imposed a retrospective exclusion on his policy, which Mr S didn't think was fair.

What happened

Mr S having been insured elsewhere before, took out this pet policy with Casualty to start on 15 December 2020 which provided him with £4,000 vet fees cover per year.

On 25 June 2021, Mr S' dog became very ill with gastroenteritis, so he brought him to vet for treatment. The gastroenteritis reoccurred on 17 July 2021 and Mr S brought his dog to vet again for treatment. Mr S then made claim to Casualty for the vet fees associated with these treatment costs. On reviewing his dog's vet history, Casualty said as he had suffered bouts of sickness before the start of the policy, it was classed as a pre-existing condition. And because he didn't tell it about any of this, it would now put a retrospective excluded for all digestive disorders from the start of his policy.

Mr S didn't think this was reasonable, so he brought his complaint to us. The investigator was of the view that his claim did concern a pre-existing condition but she didn't think it was fair of Casualty to impose the retrospective exclusion as it hadn't asked Mr S sufficiently detailed questions in order for it to do this.

Whilst Casualty agreed with the investigator's view Mr S didn't, so his complaint has been passed to me to decide.

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.

Having done so, I am upholding this complaint in part but along the same lines as the investigator. I do appreciate and understand that Mr S will be very disappointed. However, I'll now explain why.

Insurers are fully entitled to decide what risks they wish to provide cover for and what risks they don't want to provide any cover for. And I have no authority to change this as this service isn't the regulator, the Financial Conduct Authority is. In the pet insurance industry, most pet insurers do not wish to provide any cover for any reoccurrence of condition that might have happened before the policy started, and Casualty's policy is no different. So, I don't find excluding reoccurrences of any pre-existing condition is an unusual or significant limitation of cover either. It's very standard industry practice.

My role in assessing Mr S' complaint is to assess what if anything Casualty did wrong having regard to the terms and conditions of the policy which Mr S chose himself. This is because

pet policies are sold on an unadvised basis meaning Casualty did not give him any advice on which type of policy would suit his needs. That was Mr S' decision alone to make based on the information given to him about the levels of cover on offer.

In the policy document it explains 'What is insured' being 'Treatment carried out by a Vet for treating an Illness or Accidental Injury suffered by Your Pet whilst insured with Us.' And underneath that it explains 'What is not insured' which is detailed as follows:

'Any claim for Illness or Accidental Injury that relates to a Pre-existing Condition.'

The policy also defines pre-existing condition as:

'any diagnosed or undiagnosed Condition and/or Associated Condition which has happened or has shown Clinical Signs or Symptoms of existing in any form before the Policy Start Date or within the Waiting Period.'

It's clear in the vet history that Mr S' dog did suffer previous bouts of gastroenteritis before this policy started on 15 December 2020, as the vet history details on 20 September 2015 that his dog had vomiting and diarrhoea which was treated with various medications over a two-day period.

Further on 21 December 2018, Mr S' dog again was treated and medicated again for vomiting and diarrhoea over a two-day period. This reoccurred on 13 April 2019 where Mr S' dog was treated again and given medication.

And lastly on 25 June 2021, Mr S' dog was reported to have vomited 15 times in a few hours. And it is this instance which is the cause of Mr S' complaint. That episode was again treated over a two-day period. And sadly, it reoccurred on 17 July 2021 and the vet put on the vet history the following:

'History – acute onset vomiting this am and brought back all breakfast. O reports just like last time, has been inside the past few days and doesn't really eat FB's. NAD on exam, temp OK. Disc if worsens then will admit for x-rays however if sickness seems more chronic then given only a few weeks ago, discussed scoping, ulcers etc. re-see monday. Adv light diet over the weekend.'

I appreciate Mr S believes his dog merely suffered a bacterial or viral infection, so how can this be classed as a pre-existing condition. He believes it was merely a 'sickness bug'. However, the definition of pre-existing condition is very clear in this policy which refuses cover for any condition which happened before. And the evidence is clear in the vet history that Mr S' dog had severe bouts of diarrhoea and vomiting before, which required prescribed medications too. Further given it occurred again in July 2021, his vet was thinking along the lines that it was possibly a condition that might be more chronic. That also doesn't support Mr S' thoughts that his dog was merely suffering a sickness bug. In view of the evidence of the vet history of Mr S' dog, I don't consider Casualty did anything wrong in refusing to pay Mr S' claim. Its actions properly followed the terms and conditions of the policy.

However, I'm not so convinced Casualty imposed the retrospective exclusion fairly. So, I am pleased to see that it accepted the investigator's view on the matter too.

Casualty said Mr S should have told it about any pre-existing conditions to include these several episodes of vomiting and diarrhoea. And because he didn't disclose this, it was entitled to impose a retrospective exclusion on his policy for all digestive disorders.

But in order for Mr S to disclose anything like this, Casualty needs to have asked him clear questions about his dog's previous conditions. It's only if Mr S misrepresented the facts or didn't answer the questions asked by Casualty truthfully and honestly that Casualty is then able to avail of the remedies permitted to it by law, namely by the provisions of the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). Further in that case, Casualty also needs to show that it could have only offered him a policy which excluded cover for issues with his dog's digestive system.

Casualty showed us that Mr S took out this policy via an online price comparison website. The questions he was asked didn't ask him about any pre-existing conditions instead Mr S was asked *'Does your policy need to cover [name of dog] for any pre-existing medical conditions?'*.

Further Casualty said when it offered Mr S the policy that he agreed to these two assumptions

- *'Are You looking for insurance cover for a pre-existing condition?'*
- *'Are you concerned that after 12 months a Condition is no longer covered?'*

None of this specifically asks Mr S about his dog's previous medical history or even previous claims. Given this, I consider there is no basis upon which Casualty can say Mr S misrepresented anything by answering no to all of them, which he did, as shown on the Schedule. Therefore, I don't agree that Casualty gave Mr S any opportunity to tell it about his dog's medical conditions or pre-existing conditions. And so, it follows that I don't agree it was reasonable to impose an exclusion excluding all claims with respect to the digestive system on Mr S' policy, as Casualty did here.

My final decision

So, for these reasons it's my final decision that I uphold this complaint in part.

I now require Casualty & General Insurance Company (Europe) Ltd to remove the exclusion it imposed on Mr S' policy excluding all claims from cover with respect to the digestive system, which I am pleased to note it has already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 August 2022.

Rona Doyle
Ombudsman