

The complaint

Mrs D complains about Covea Insurance plc (Covea) declining to reimburse part of the costs within 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 October 2021 Mrs D took her dog to the vet for treatment of a dermatitis condition. The treatment, including medication prescribed, was similar to previous times the dog was treated for the condition. A claim for the cost of treatment (£317.51) was submitted to Covea.

The following month Covea contacted Mrs D to say the claim had been accepted – but that a sum of £156.67 had been deducted from the payment made to Mrs D. Mrs D contacted Covea to find out why the sum had been deducted. Covea said £28.38 was the [percentage] excess amount due against each claim under the policy and £18.00 for prescription charges (which weren't covered under the policy). The balance of £110.29 was in respect of one vial of a specific drug (that was administered by injection).

Mrs D's policy had renewed in April 2021, but she cancelled it in late October 2021 (after the date of treatment, but before the claim was made). At renewal the policy conditions changed, including a percentage excess on claims and prescription charges were no longer covered. But Mrs D wasn't happy about the deduction of the vial of drug. The drug came in packs of two (£220.57 per pack). One vial was administered at the time of the dog's treatment by the vet, the second was to be administered at a later date (again by the vet).

Mrs D was unhappy about Covea's deduction of prescription charges and the second vial of the drug, so she complained to Covea.

Covea didn't uphold the complaint. In their final response they said Mrs D had renewed the policy in April 2021, after having the opportunity to decide whether it continued to meet her needs and she was content with the terms and conditions of the policy being renewed. On the claim submitted by Mrs D, Covea noted two injections of the specific drug had been included. Covea said that the second injection (using the second vial) hadn't been administered until November 2021 (so after the cancellation of the policy). Based on this Covea said as Mrs D's policy wasn't in place at the time of the second injection, they wouldn't cover the cost. On the prescription charges, Covea referred to the policy terms and conditions that excluded the cost of a prescription (being written or dispensed).

Unhappy at Covea's response, Mrs D complained to this service. She said the deduction for the vial of the drug was unfair as they came in packs of two and Covea hadn't said the drug had to be used before the change to her policy. The drug had to be stored and administered by the vet. While she accepted the cost of administering the drug subsequently wouldn't be covered under the policy, she said the deduction of the vial was unfair as it would have been purchased (as one of a pack of two) when the first vial was administered. She wanted Covea to reimburse the £110.29 cost of the vial.

Our investigator upheld Mrs D's complaint, concluding Covea hadn't acted fairly. He thought the fact the injections (the vial of the drug) had to be purchased in packs of two meant Mrs D had to purchase two injections (even had only one been required for treatment). Mrs D's vet had confirmed the drug had to be purchased in packs of two. So, the pack was one product, purchased at the time of the first injection (when Mrs D's policy was in place). So, Covea acted unfairly when treating the purchase as two separate products. To put things right, he thought Covea should reimburse Mrs D the £110.29 deducted from her claim in respect of the second vial. He also thought interest should be added to the amount from the date of Mrs D's claim to the date Covea reimbursed the sum.

Covea disagreed with the investigator's conclusions, and requested an ombudsman review the complaint. In disagreeing, Covea said Mrs D cancelled her policy so cover for vet treatment ended at that point, as claims were paid on the basis of when the treatment was received. As the second injection didn't occur until nearly a month after the policy ended, the policy didn't cover that event. Had Mrs D taken out cover with another insurer after she cancelled her policy, she may have been able to make a claim for the injection under the new policy. Covea also referred to other scenarios where treatment takes place over time, for example hydrotherapy sessions and packs of tablets where one tablet a day was to be administered. In those circumstances, a claim would not be settled for the full course of sessions or the full cost of the box of tablets.

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 Covea have acted fairly towards Mrs D.

The main issue in Mrs D's complaint is whether Covea acted fairly in declining her claim for the second injection (vial of drug used in the injection). Mrs D maintains she had to purchase the drug to be administered in packs of two, so she should be reimbursed for the full cost of the pack (not just one vial). Covea say that as the second injection wasn't administered until after she'd cancelled her policy, there was no cover in place and therefore they acted fairly in deducting the £110.29 in respect of the second vial (the second injection).

Thinking about the sequence of events and what happened, the substance of the complaint comes down to whether it's fair and reasonable for the cost of treatment to be reimbursed at the point at which the treatment was charged (when the vet prescribed the pack of two vials of the drug to be administered through injection) or when the injections actually took place (one in October, when Mrs D's policy was in place, and one in November, after she'd cancelled the policy).

In thinking about this issue, I've also considered what the policy terms and conditions set out regarding treatment and vet fees, as I think they're relevant to the issue. The terms and conditions include the following definitions:

“30. Treatment

Any examination, consultation, advice, tests, e-rays, medication, surgery, hospitalisation, nursing and care provided by either a veterinary practice or vet recommended complementary therapist.”

31. Treatment date

The date your pet first received treatment for the illness or injury being claimed.”

34. Veterinary fees

The cost or expense of any treatment or amount vets in general or referral practices usually charge.”

35. Veterinary Treatment

The cost of the following when required to treat an illness or injury:

- *Any examination, consultation, advice, test, x-ray, surgery and nursing carried out by a vet, a veterinary nurse or another member of the veterinary practice under the supervision of a vet, and*
- *Any medication legally prescribed by a vet. This includes physiotherapy (not including hydrotherapy) carried out by a veterinary practice or a physiotherapist and treatment of a behavioural illness carried out by a veterinary practice of a behaviourist.”*

Looking at these definitions, in the context of the case, I think it's clear the 'treatment date' is the date the dog was first seen (early October) and received treatment on that date, including administration (injection) of the first vial of the drug. I also think the treatment included the drug (to be administered by two injections) as part of the medication and therefore treatment.

Given what the vet has said about the drug coming as two vials, but in one pack, the veterinary fees in that case would be the cost of the pack ('the amounts vets in general usually charge'). Had the drug come in packs of one (vial) then I'd have expected them to be charged by the date they were administered (injected). In that scenario, I'd have agreed with Covea's view. But that's not the case here (and Covea haven't challenged the vet's practice of supplying the drug in packs of two).

Taking all these points into account, I've concluded Covea haven't acted fairly in declining that element of Mrs D's claim relating to the second vial (injection). Given this, to put things right, Covea should reimburse Mrs D for the £110.29 they deducted from her claim in respect of the second vial (injection). Covea should also pay interest at a rate of 8% simple on the amount from the date of their original deduction from payment of the claim, to the date Mrs D tells us she accepts my final decision (if she accepts it).

While Mrs D also complained to Covea about the reduction for the prescription fees (£18) she didn't include that element in her complaint to this service. So, I haven't considered that point in detail – though from the policy terms and conditions I think Covea acted in accordance with the policy in deducting those charges. Similarly, Mrs D didn't include the percentage excess deduction, so I haven't considered that element.

My final decision

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

- Reimburse Mrs D for the £110.29 they deducted from her claim in respect of the second vial (injection).

Covea Insurance plc should also pay interest at a rate of 8% simple on the amount from the date of their original deduction from payment of the claim, to the date Mrs D tells us she accepts my final decision (if she accepts it).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or

reject my decision before 16 August 2022.

Paul King
Ombudsman