

The complaint

Mr D complains about Covea Insurance plc (Covea) declining a claim under his pet insurance policy for treatment of his dog.

References to Covea include their agents who administer the policy.

What happened

In May 2021 Mr D took his dog to the vet (W) following the dog displaying behaviours, including digging at carpets and licking floors. W couldn't find any obvious physical problems so referred the dog to a specialist vet (L) for further investigation. Following an examination of the dog and consideration of the behaviours and clinical history, L thought the behaviour suggested a clinical cause (most commonly pain) but didn't make a specific diagnosis. Claims for treatment were submitted to Covea to October 2021, which were accepted.

A further claim for treatment was submitted in November 2021, but Covea referred it to an independent vet (V) for a second opinion as they now thought the issues could be linked to a previous incident in 2017 when the dog had been licking floors. Based on V's opinion, Covea then declined the claim as they concluded the issues were due to a pre-existing condition before Mr D took out his policy in October 2019.

Mr D was unhappy about Covea's decline of his claim, particularly as previous claims for treatment had been accepted. So, he complained to Covea.

Covea didn't uphold the complaint. In their final response they said as the claim related to behaviour, they had referred it to V for a second opinion. They noted V's opinion the behaviour (licking the floor) had been noted in the dog's medical history in 2017 (and again in 2019, before Mr D took out his policy). V thought it likely the previous episodes were related to the current behaviour (although it was impossible to be 100% sure). Based on this, Covea referred to the policy exclusion for a pre-existing condition and confirmed their decision to decline the claim. They also said they wouldn't cover the condition in the future (but they wouldn't seek repayment of claims previously accepted).

Unhappy at Covea's response, Mr D complained to this service. He said the claim in November 2021 was for the same treatment as earlier claims and the dog was showing no new behaviours or symptoms. He said the dog licking floors had happened since 2017, but W and L thought it could be due to anxiety, habit, or other reasons. They didn't think it was linked to the more recent change in behaviour and back pain. Mr D was concerned at the financial impact of the claim being rejected and the potential future cost of treatment (if deemed to be for a pre-existing condition). He wanted Covea to reverse their decision and accept the claim.

Our investigator upheld Mr D's complaint, concluding Covea hadn't acted fairly. He thought the clinical history and views of W and L didn't indicate a link between the behaviours in 2017 and 2019 and the more recent behaviours and symptoms. He didn't think V had clearly shown a link, so Covea hadn't shown it was fair to apply the pre-existing condition to decline the claim. He thought the behaviour was more likely to be related to other incidents and

conditions, and as it was periodic rather than constant, this didn't suggest it was linked. The investigator thought Covea should reassess the claim against the remaining terms and conditions of the policy, without the exclusion. If they accepted the claim, they should also pay interest from the date they would have accepted the claim (had they not declined it) to the date they did settle it. He also thought Covea should pay £100 compensation to Mr D for distress and inconvenience.

Covea disagreed with the investigator's conclusions, and requested an ombudsman review the complaint. In disagreeing, Covea said they considered the behaviour (for which treatment was claimed) to be pre-existing. It wasn't for back pain, which they said hadn't been diagnosed.

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 Mr D.

The main issue in Mr D's complaint is whether Covea acted fairly in declining his claim for treatment, on the grounds that it related to a pre-existing condition (and exclusion under the policy). Mr D says the dog's behaviour and treatment was no different to previous episodes and treatments (for which claims had been accepted). He doesn't think it was linked to the more recent change in behaviour and back pain, citing the views of W and L who treated his dog. Covea's view is that the behaviour of the dog was pre-existing (and linked). They refer to the views of V in support of this position.

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 opinions of the different vets and the clinical history of Mr D's dog. Looking at the policy terms and conditions first, the policy defines 'Pre-existing condition' as:

- a) *An injury that happened or an illness that first showed clinical signs before your pet's cover started; or*
- b) *An injury or illness that is the same as, or has the same diagnosis or clinical signs as an injury, illness or clinical sign your pet had before cover started; or*
- c) *An injury or illness that is caused by, relates to, or results from, an injury, incident, illness or clinical sign your pet had before its cover started. No matter where the injury, illness or clinical signs are noticed or happen in, or on, your pet's body. This is on addition to any exclusion(s) stated on your Certificate of Insurance."*

Under the "Insured events we will cover" part of the policy, Section 1A: Veterinary Fees, there's a sub-heading "What we will not pay" that includes the following:

"2. The cost of any treatment for a pre-existing condition."

I think these conditions (exclusions) are clear (and would have been clear to Mr D at the time he took out his policy). So, pre-existing conditions (illnesses) that were present (or first showed clinical signs) aren't covered under the policy. 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. In declining the claim (and their response to our investigator's view) Covea say the behavioural issues (specifically the licking of floors) noted at various times, from 2017 through to the claim made in November 2021, indicate a pre-existing condition. In the context of the definition of pre-existing condition cited by Covea in their final response (set out above) I've taken 'illness' to include '*behavioural illness*' (which the policy defines separately).

Coming back to the question of whether the dog had a pre-existing condition, I've looked at the previous claims and clinical history, together with the views of the various vets. Based on that, against the policy terms and conditions above, I've concluded Covea haven't shown the dog had a pre-existing condition. So, they acted unfairly in declining the claim for treatment. I'll set out why I've come to that view.

Looking at the clinical history, the first reference to licking of floors was in 2017, when the notes also refer to sickness and the problem may have been due to gastric acid. Similar behaviour later that year also mentions stress as a potential cause and (subsequently) signs of abdominal discomfort. Mention of floor licking in 2019 doesn't provide any additional factors or cause. The next reference to floor licking isn't until May 2021, over two years later. Reference is made of a change in behaviour and while an issue with glands is noted, no clear cause of the change is given - although mention is made later to lumbar pain. Looking at this history, it doesn't indicate a clear, linked condition causing the behaviour consistently over the period. But there are different possible underlying causes. So, I'm not persuaded there's a clear, consistent pre-existing condition.

Turning to the views of the vets, V's view is that it is likely the previous episodes are related, although he goes on to say it's impossible to be 100% sure. But I haven't seen anything further to support this view. L's view is that the behaviour suggested a clinical cause (most commonly pain) but didn't make a specific diagnosis. W refers to the earlier 2017 episode possibly being stress-related and does not believe the more recent behaviour (in 2021) was related to the behaviour prior to 2018. The views of the three differ, but on balance (together with the points from the clinical history) I'm not persuaded there's a pre-existing condition.

I've also considered that, as a general principle, where an insurer relies on an exclusion, the onus is on them to show it's reasonable to apply it. Given my conclusions above about whether there was a pre-existing condition, then I don't think Covea have shown it was reasonable to apply the exclusion.

Taking all these points into account, I've concluded Covea haven't acted fairly in declining Mr D'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 assess the claim in line with the remaining terms and conditions of the policy (taking account of any policy excess). If Mr D has already paid for the cost of treatment, then in addition Covea should pay interest on the assessed amount to settle the claim at the rate of 8% simple from the date Mr D paid the cost of treatment to the date they settle the claim.

On the question of compensation, our investigator thought Covea should pay Mr D £100 compensation for distress and inconvenience. Taking account of the circumstances of the case, I think that's reasonable.

My final decision

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

- Assess Mr D's claim in accordance with the remaining terms and conditions of the policy (taking account of any policy excess). If Mr D has already paid for the cost of treatment, then in addition Covea should pay interest on the assessed amount to settle the claim at the rate of 8% simple from the date Mr D paid the cost of treatment to the date they settle the claim.
- Pay Mr D £100 in compensation for distress and inconvenience.

Covea Insurance plc must pay the compensation within 28 days of the date on which we tell them Mr D 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 Mr D to accept or reject my decision before 17 August 2022.

Paul King
Ombudsman