

DRN-3642667



The complaint

Mrs E has complained that Covea Insurance Plc has charged her three excesses plus 10% of the vet costs when she made a claim under her pet insurance policy. She also complained that it took a premium instalment after she cancelled her policy and unreasonably delayed refunding her.

What happened

Mrs E had a policy for her dog which was underwritten by Covea. He needed some dental work and a lump removed. However, whilst under the anaesthetic the vet removed two lumps in addition to the dental work. One lump was a cyst and the other was a lipoma. Covea said that because the two lumps were different that meant Mrs E had to pay three excesses, one for each lump and one for the dental work. In addition, because her dog was over the age of 4 years of age, she also had to pay an additional excess of 10% of the vet costs.

Mrs E said when she phoned up Covea before the operation, she was told she would only need to pay two excesses, and nothing was mentioned about the 10% additional excess. Covea said it was wrong of its adviser not to mention the additional 10% excess and it apologised for this. But nonetheless given the lumps concerned two different conditions, it said the three excesses plus the 10% extra excess were applicable given the dental work. Mrs E's claim was £1,809.76. Her fixed excess was £105.00 per condition claimed and 10% of the total cost of the vet fees was £180.96. This meant when Covea paid her claim, it left Mrs E having to pay her vet £495.96.

Mrs E was of the view this was very poor service.

In addition, Mrs E said in her complaint for to us that when the policy was due to renew in December 2021, the premium increased by over 50%. So, she phoned Covea to cancel it. She said this wasn't actioned and instead Covea took her first premium instalment from her bank account. Covea said it would refund her the amount it took in January 2022. However, it didn't refund the full amount and instead left her £3.27 short. Although Covea told her it would then refund this, it didn't do so until July 2022.

So, Mrs E brought her complaint to us. The investigator was of the view that Covea had failed to meet Mrs E's expectations of her claim given the call she had with its adviser so he thought Covea should pay Mrs E £150 compensation. Mrs E agreed but asked what about the refund of premium issue. Covea didn't agree it should pay Mrs E any compensation because she didn't ask what specific costs she would incur. So, it asked for an ombudsman's decision.

The investigator asked Covea would it agree for me to consider the premium refund issue as well since it hadn't dealt with that in its final response letter, Covea withheld that agreement. So, Mrs E's complaint was passed to me to decide.

I issued a provisional decision on 15 November 2022 and I said the following:

'First as regards dealing with the premium instalment being taken by Direct Debit after Mrs E had properly cancelled her policy and then the delay in refunding her the full amount, this was raised by Mrs E in her complaint form, which Covea has seen, since we sent it the complaint form on 26 May 2022, which was more than eight weeks ago. Therefore, that issue now falls within our jurisdiction and so it is only fair and reasonable that I deal with it here, despite the fact that Covea has not dealt with it, since receiving the complaint form.

Now turning to the substance of the Mrs E's complaint, namely that she received bad service about her claim following her initial conversation with Covea's adviser. Covea acknowledged it didn't tell her about the 10% additional excess when she made enquiries about the fact that her dog was having two procedures done under the same anaesthetic and was seeking to clarify what excesses she might need to pay, given the discussion clarified it would be two excesses given the dental and the one

lump intended to be removed. It clearly apologised in its final response letter for this. Therefore, there is now no merit in Covea now saying Mrs E didn't ask about specific costs when she phoned up the adviser to explain the vet would be doing the dental and the lump removal under the same anaesthetic. Because that is exactly what she did do. Mrs E also raised the point that no one told her when assessing her claim that a third excess would now be imposed given both lumps removed from her dog were different. Given Mrs E's call with the adviser it would have been better service, in my opinion, if this had also been explained to her during the claim assessment.

I do consider the policy conditions were clear about charging an excess per condition claimed and that the 10% of the vets by way of an additional excess would occur once her dog turned four years of age were clear. So, I don't consider Covea did anything wrong in imposing them on Mrs E's claim. Simply it should have made that clear when Mrs E went to the trouble of phoning up to get her excess payments clarified.

So, I agree with the investigator that Mrs E received poor service here and a mismanagement of her expectations which caused distress and upset. I also agree the amount of £150 compensation is reasonable and in line with what I have awarded previously in similar circumstances.

Given Mrs E properly and clearly cancelled her policy in December 2021, Covea had no right to take a premium instalment by direct debit from her bank account in January 2022. That necessitated Mrs E having to call up again and wait for a call back from a manager. When the refund came through, she noticed it was £3.27 short. So, she had to make further phone calls and the remaining amount was sadly not refunded to her until July 2022. This caused Mrs E further unnecessary distress and inconvenience for which I consider Covea should pay Mrs E a further £100 compensation.

The compensation is for the distress and inconvenience caused first by taking the premium instalment when it shouldn't have been taken and secondly the retention of £3.27 for so long. It's irrelevant that the amount retained so long in error was only £3.27.'

Mrs E accepted my provisional decision. Covea said whilst it didn't agree with my provisional decision because there was no record of Mrs E phoning in to cancel her policy in December, it would abide by my final decision when received.

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 again, I remain of the view that I'm upholding this complaint along the same lines as detailed above in my provisional decision.

I've not seen any evidence from Covea that Mrs E didn't phone up to cancel her policy in December. Clearly Mrs E said it wasn't actioned as she said she had to phone up again. Notwithstanding that following Mrs E cancelling her policy, Covea did not refund the full premium instalment taken for several months, putting Mrs E to further trouble and upset. So, I consider compensation is rightly payable for this element of Mrs E's complaint too.

My final decision

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

I now require Covea Insurance Plc to do the following:

- Pay Mrs E the sum of £150 compensation for the lack of service for which Covea has acknowledged and apologized.
- Pay Mrs E a further sum of £100 compensation for wrongly taking a premium instalment when she had cancelled her policy and then failing to refund the remaining £3.27 for several months.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 21 December 2022.

Rona Doyle
Ombudsman