

## **The complaint**

Mrs M complains that Casualty & General Insurance Company (Europe) Ltd has unfairly declined a claim on her pet insurance policy.

## **What happened**

Mrs M bought a puppy and took out a pet insurance policy in November 2021. During a visit that month the vet carried out a full examination and said everything was clear with no concerns.

The following month Mrs M used a voucher offer to have another check-up at a different vet. A heart murmur was detected so she returned to her normal vet a couple of days later for another diagnosis.

Her vet confirmed the pet's heart murmur. But the vet wrote on the medical notes that they'd been unable to carry out a full check during their last visit as the pet had been too unsettled. Because of the vet's comments the insurer refused to cover the cost of treating the murmur and it has also imposed an endorsement on the policy moving forwards.

Casualty said the pet's clinical history showed a visit in November 2021 just after the policy had started. A murmur was noted about a month later and the pet was checked again two days afterwards. The vet's notes showed the pet had been very wriggly on the previous occasion and hadn't been easy to examine, so the vet said the presence of a murmur couldn't be ruled out during the last visit.

Casualty said the policy didn't provide cover where conditions or signs and symptoms were present before the policy started or within the first 14 days of the policy start. So Casualty was unable to provide cover for the condition being claimed for. And any future claims with respect to the respiratory system and heart conditions would also be excluded.

Mrs M wasn't satisfied with Casualty's response. So she contacted our service and our investigator looked into the matter. Having considered all the available evidence our investigator felt Casualty had acted unfairly in assuming there was a heart murmur within 14 days of the policy start. He didn't think there was evidence to support this. So he said Casualty should cover Mrs M's claim (plus 8% simple interest), remove the exclusions added to the policy and pay Mrs M £100 compensation for the distress caused.

Casualty didn't agree with our investigator. So it's asked for an ombudsman's final decision. Casualty said the vet's notes made it clear the murmur was unlikely to be innocent at this stage. The pet had been very wriggly so it wasn't the easiest to examine.

The vet couldn't rule out the presence of a heart murmur during the November visit. It was unlikely to have developed in the following couple of weeks and Casualty said the heart condition would've been present from birth.

Mrs M was unhappy Casualty had further delayed dealing with her claim. And she felt the compensation should be increased or her policy premium adjusted.

## 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.

Mrs M's pet insurance policy helps cover veterinary treatment costs to keep her pet healthy. The policy documentation states what is and isn't insured. And I can see the exclusions include any claim for treatment relating to a pre-existing condition and any claim made within the 'waiting period' of the first 14 days after the policy start date.

Exclusions aren't unusual in this type of policy. And most pet insurance policies won't provide cover for conditions starting before the policy began or within a set period of the policy start date.

The policy document defines a 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."*

I can see from the medical history that the pet was seen by a vet in October 2021. No heart murmur was noted during the examination. Mrs M took the pet to her vet in November for vaccinations four days after the policy start date. The medical notes state the pet presented with clear eyes, ears and coat and no concerns were recorded.

The pet returned to the vet about five weeks later – after the policy had started and after the 14-day waiting period had expired. A couple of days earlier Mrs M had taken the pet for a check elsewhere and a murmur had been noted. Her usual vet confirmed a murmur when the puppy was settled and not wriggling.

The vet also reported on the medical history that the pet had been very wriggly during the earlier November visit and hadn't been easy to examine. So the vet couldn't rule out the presence of a murmur at the earlier visit.

Casualty has relied on the vet's notes to state the onset date for the condition claimed for should be the first visit in November and excluded as the clinical signs or symptoms were shown within the waiting period. Casualty has also stated that the diagnosed condition, pulmonic stenosis, is congenital and would've been present in the pet from birth.

I've carefully considered the wording of the exclusion and how it relates to what's happened here. To decline Mrs M's claim Casualty needs to show, on balance, it can rely on the pre-existing condition exclusion. And I don't think Casualty has acted fairly in stating the onset date should be set to the date of the November visit. The attending vet made no reference to any heart murmur during the visit and gave the pet a clean bill of health.

When a later examination highlighted the condition the vet said they'd been unable to carry out a full examination due to the pet's wriggly behaviour. So the vet could not be certain that the murmur wasn't present during the earlier November examination. But 'not being certain the murmur wasn't present' is not the same as saying the murmur was present or was likely to have been present.

According to the medical notes no heart murmur was noted during that the examination towards the end of October. And no murmur was noted during the examination at the beginning of November.

So I don't think it would be fair to say clinical signs or symptoms of the condition had shown before the policy start date or within the waiting period. There is no evidence to support this.

And I don't think it would be fair for Casualty to rely on this to exclude Mrs M's claim on that basis.

Casualty has responded that the condition is congenital. The heart problem would've been present at birth, even if it didn't show signs or symptoms until a later point. And the exclusion includes 'any undiagnosed condition which has happened.'

I've considered if a strict interpretation of the policy terms would support Casualty's decision to decline the claim as a pre-existing condition as it had 'happened' at birth. But I can also step outside of the strict policy terms and conditions where I consider it would be fair and reasonable to do so.

A key consideration would be whether I thought Mrs M had been treated fairly based on her knowledge of the pet's health at the time she took out the policy. And I wouldn't necessarily consider it fair for the insurer to decline a claim if Mrs M believed her pet was healthy when she took out the pet insurance policy.

As I've discussed above there's no medical evidence to show any signs or symptoms were present either when Mrs M took out the policy or during the 14-day waiting period. The first two medical examinations gave her pet a clean bill of health. And the condition was only highlighted because Mrs M took advantage of a discounted check-up with a different vet during the following month.

Based on everything I've seen, including the medical history, I don't think Casualty has acted fairly and reasonably in declining Mrs M's claim. I'm not persuaded that the signs or symptoms of the condition were present before the policy start or within the waiting period.

And I don't think Casualty would be treating Mrs M fairly by strictly applying the clause based on an unknown and undiagnosed congenital condition that was present at birth but unknown to the owner. The existence and severity of the condition only became apparent about five or so weeks after the pet insurance policy had begun.

As I don't believe Casualty has acted fairly in declining the claim for a pre-existing condition, it follows that I don't think Casualty should apply a general exclusion to the policy excluding future claims with respect to the respiratory system and heart conditions.

### **Putting things right**

To put things right Casualty should settle Mrs M's claim and add 8% simple interest from the date Mrs M paid for the treatment until the date of settlement.

Casualty should also remove the endorsement to the pet insurance policy excluding any future claim with respect to the respiratory system and heart conditions.

And it should compensate Mrs M for any distress caused. Our investigator recommended Casualty pay Mrs M £100 and I think that's reasonable in the circumstances.

### **My final decision**

My final decision is that I uphold this complaint. I direct Casualty & General Insurance Company (Europe) Ltd to carry out the steps I've outlined in 'putting things right' above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 26 October 2022.

Andrew Mason  
**Ombudsman**