

The complaint

Mr and Mrs S complain that Casualty & General Insurance Company (Europe) Ltd hasn't fully settled a claim on their pet insurance policy.

What happened

Mr and Mrs S's pet was unwell and received veterinary treatment. The final bill was nearly £3300. But when it was presented to their pet insurers Casualty only offered just over £2500 in settlement.

Mr and Mrs S accept some of the deductions are in line with the pet insurance policy terms. But they're unhappy Casualty deducted £206.16 for the costs of fluid therapy. They said their vet had confirmed the therapy had been an essential part of the treatment. They're also unhappy Casualty deducted the costs of the consumable materials used during the treatment. So Mr and Mrs S would like Casualty to increase its settlement to include the two deductions.

Casualty said it'd assessed and accepted Mr and Mrs S's claim for their pet's treatment. It explained certain deductions had been made where some of the costs had exceeded the limits set out in the policy. Casualty said the vet's notes didn't confirm it was necessary for the pet to receive fluid therapy. So it'd deducted £206.16 as it was considered an elective treatment in pets under the age of eight.

The policy also excluded miscellaneous costs not directly related to the treatment including single-use items, non-medical items, cleaning supplies and other such costs. So Casualty was satisfied the amounts had been correctly deducted from the claim.

Mr and Mrs S weren't satisfied with Casualty's response. So they contacted our service and our investigator looked into the matter. She could see that the pet's condition had been covered by the policy. So she looked at whether the exclusions had been fairly applied.

After reviewing the policy documents our investigator felt Casualty had fairly excluded the costs of the consumables. But she noted that the vet had stated the fluid therapy had been a necessary part of the treatment. Although Casualty had responded that fluid therapy was a routine treatment – and therefore excluded – our investigator wasn't persuaded that was the case here. The therapy had been carried out while treating an illness.

Our investigator couldn't see anywhere in the policy or product information document that fluid therapy was deemed elective for pets under eight. And she didn't think it was fair for Casualty to rely on this and exclude the costs.

So to put things right she said Casualty should reimburse Mr and Mrs S with the fluid therapy costs paid to the vet and add 8% interest from the date the vet's bill was paid to the date of settlement.

Casualty referred to its underwriting conditions which stated it would deem fluid therapy to be a necessary part of a pet's treatment and therefore considered a routine treatment.

The terms and conditions didn't provide coverage for routine treatment except in extenuating circumstances, such as to save a pet's life. But Casualty would look to cover those costs for older animals (over the age of eight) as they were more likely to suffer ill effects from sedation and surgeries.

As Casualty didn't agree with our investigator, the complaint has been referred for an ombudsman's final decision.

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.

The pet insurance policy documents explain that, as with all insurance policies, there are exclusions and conditions that apply to the coverage. Mr and Mrs S accepted those exclusions when they entered into the contract of insurance.

But I'd expect Casualty to apply those exclusions fairly and reasonably. I've looked carefully at everything Casualty has said. But with regards to cost of the fluid therapy I don't think it has.

I've looked at the policy documentation and the insurance product information document which is designed to highlight the key terms of the policy and what is and isn't covered. I agree with our investigator that Casualty has correctly excluded the consumables under the exclusion stating *"any miscellaneous costs that do not directly relate to the treatment of an illness or accidental injury, including but not limited to single use items, non-medical items, cleaning supplies and other such costs that a vet may charge but are not directly related to the actual treatment of your pet."*

Under "what is not insured" the policy also includes *"any claim for cosmetic, elective, or routine treatment or any treatment which is preventive and not treating an illness or accidental injury."*

Casualty said it considered the fluid therapy to be 'elective' treatment for pets under the age of eight. But Mr and Mrs S didn't think that was fair. So they contacted their vet who responded that the "fluid therapy is part of the minimum standard of care in any animal undergoing general anaesthesia for contrast CT study".

Casualty says the underwriting criteria states that fluid therapy would be considered as a routine treatment that's included as part of other veterinary treatments. And the terms and conditions confirm it wouldn't provide coverage for routine treatments except under extenuating circumstances or for older pets where sedation and surgeries are more likely to cause ill effects.

But that information isn't included in the policy documentation seen by the policyholders. Mr and Mrs S were unaware that fluid therapy would be deemed as either an elective or routine treatment. And I don't think it's fair for Casualty to rely on something that wasn't in the policy documentation.

Putting things right

Based on what I've seen I don't think Casualty has applied the exclusion in relation to fluid therapy fairly and in line with the terms and conditions of the pet insurance policy. To put things right Casualty should reimburse Mr and Mrs S with the cost of £206.16 deducted from the claim settlement.

And it should add 8% simple interest from the date Mr and Mrs S paid the vet's bill until the date of settlement.

My final decision

My final decision is that I uphold this complaint. Casualty & General Insurance Company (Europe) Ltd should:

- Pay Mr and Mrs S the sum of £206.16 for the cost of fluid therapy
- Add 8% simple interest from the date Mr and Mrs S paid the vet's bill until the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 19 October 2022.

Andrew Mason
Ombudsman