

The complaint

Mrs W complains that Covea Insurance plc declined her pet insurance pre-authorisation claim. My references to Covea include its agents.

What happened

On 1 February 2019 Mrs W started a pet insurance policy for her dog which she renewed annually. Covea was the insurer. In February 2020 Mrs W's dog's vet noted the dog had a heart murmur. In March 2022 Mrs W made a pre-authorisation claim for a scan for a heart murmur, with a cost estimate of £522.

Covea declined the pre-authorisation claim. It said Mrs W's dog had a problem with his heart in February 2017, before the policy started, which related to the investigation claimed for. So he had a pre-existing condition which wasn't covered under the policy terms.

Mrs W complained to us. She said her vet told Covea that in 2017 her dog had been tested by an untrained vet and he didn't have a heart condition then but Covea still wouldn't pay the claim. She wants Covea to pay the £607.07 vet costs for the 2022 heart scan.

Our investigator said Covea unfairly declined the pre-authorisation claim and should pay the claim plus interest.

Covea disagrees and wants an ombudsman's decision. In summary it said:

- Even though the 2017 scan was carried out by a vet with no relevant experience the vet had a duty of care and should have told Mrs W the scan result.
- The vet practice manager's email of the 11 March 2022 suggested the need for the scan in 2022 was influenced by the vet notes from February 2017.
- Although Mrs W may not have been aware of the vet notes from 2017, those notes show a heart condition was identified in her dog which should have been investigated so under the policy terms her dog had a pre-existing condition which wasn't covered.

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 relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I think Covea unreasonably declined the pre-authorisation claim. I'll explain why.

The policy excludes the cost of any treatment for a 'pre-existing condition' which the policy defines as including:

*'...illness that first showed clinical signs before your pet's cover started, or
...illness that is the same as, or has the same diagnosis or clinical signs as an ...
illness or clinical sign your pet had before its cover started, or*

...illness that is caused by, relates to, or results from, an...illness or clinical sign your pet had before its cover started...'

The policy definition of pre-existing condition includes undiagnosed conditions where there were symptoms or clinical signs of the condition or related condition.

Covea said the 2022 heart scan relates to a pre-existing condition because before the policy started Mrs W's dog had a heart scan in 2017 and the vet noted a '*perhaps mild prolapse of mitral valve*'. Covea referred to the following email from Mrs W's vet practice manager to say the mild prolapse and heart murmur were related, even if not the same condition:

'As there was already a prolapse of the mitral valve noted, and the heart murmur is at grade 3, the vet feels that a heart scan would be beneficial to see if there is any further damage/deterioration of the heart'.

I understand why Covea thought the conditions might be related. However there are two issues that I must also consider.

First, I've no evidence from a qualified vet that says the possible prolapse of the mitral valve noted in 2017 is linked to the heart murmur found in February 2020. If there was such vet evidence then under the wording of the policy terms the heart murmur could be a pre-existing condition.

But second, and most importantly, even if I thought that under the strict wording of the policy terms Covea could say the heart murmur was a pre-existing condition I also have to consider whether it was fair and reasonable for Covea to decline the claim. We generally consider that it's only fair and reasonable for an insurer to decline a claim due to a pre-existing condition if before the consumer bought the policy they knew there was something wrong with their pet, which could likely lead to some investigation or treatment.

Following the vet practice manager's email Covea received an email from one of the vets who treated Mrs W's dog. She said:

'I can see from the clinical notes that it was a practice scan (in 2017) performed by one of our vets who is not competent in echocardiology, whilst (dog's name) was being sedated for another procedure. (Dog's name) was not showing clinical signs of a heart problem and nothing definitive was found. It may not have even been reported to the owner'.

I think the email from the vet is strong evidence that in February 2017 Mrs W's dog wasn't showing clinical signs of a heart problem, the vet who did the scan wasn't competent in echocardiology, no definite problem was found and Mrs W may not have been told about the possible heart problem.

The vet note from 10 February 2017 said:

'Sedated and removed grass seed from right ear...Also had a go at ultrasound scanning heart whilst asleep 2d image shows perhaps mild prolapse of mitral valve but left atrium does not appear to be enlarged'.

I think the note supports that vet 'had a go' at something they were unfamiliar with while the dog was sedated for a completely unrelated procedure. And that vet note says 'perhaps' there was a mild prolapse of the mitral valve, not there was a mild prolapse.

Covea said the vet should have told Mrs W what the 2017 scan may have showed. But there's no mention in the 2017 vet notes that Mrs W was told about the possible mild prolapse, there's no indication she was told of any concern about her dog's heart and no treatment or investigations were suggested. I've no reason to believe Mrs W was informed that her dog had a possible heart problem in 2017. So I don't think Mrs W knew about the possible mild prolapse of the mitral valve when she bought the policy.

The pre-authorisation claim form asked '*when did this illness/injury begin?*' and the vet answered '*7 February 2020*', which is when the vet notes show the heart murmur was found. The vet notes in May 2020 show the vet discussed with Mrs W about her dog having an echocardiogram '*once lockdown (was) over*'. The policy started on 1 February 2019 so I think it was only after the policy started that Mrs W knew her dog had a problem with his heart which needed investigating.

I'm satisfied that Covea unreasonably relied on the pre-existing condition exclusion to decline the pre-authorisation claim. It must cover the cost of the claimed for heart scan. Mrs W said the cost was £607.07 but I haven't seen any invoice and it's reasonable for Covea to want evidence of the cost of the treatment before it pays.

Putting things right

Covea must pay the cost of the claimed for heart scan once Mrs W has sent it evidence of the cost, less any policy excess. If Mrs W had already paid the vet costs Covea must add interest as I've detailed below.

My final decision

I uphold this complaint and require to Covea Insurance plc to pay the cost of the claimed for heart scan once Mrs W has sent it evidence of the cost, less any policy excess. If Mrs W has already paid the vet costs interest* must be added at 8% simple a year from the date Mrs W paid to the date of settlement.

*If Covea Insurance plc considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mrs W how much it's taken off. It should also give Mrs W a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 November 2022.

Nicola Sisk
Ombudsman