

## **The complaint**

Mrs C and Mr M have complained about the deductions that Casualty & General Insurance Company (Europe) Limited (C&G) has made following their claim under their pet insurance policy.

## **What happened**

Mrs C and Mr M took their pet dog, who I'll refer to as "T", to the vet early on Christmas day 2021 for urgent treatment after he'd ingested two boxes of chocolates. The vet's bill was for £818.46 which they claimed from C&G. C&G made a number of deductions from the amount claimed maintaining that these were in line with their policy terms. After these deductions, Mrs C and Mr M only received £264.46. They've queried these deductions as they say they weren't made clear in the policy.

The deductions were as follows:

Blood sample fee - The vet charged £24.54. C&G deducted £12.54, maintaining that the market average was £12 based on its in-house statistical research.

Fluid therapy - The vet charged £190.26. C&G initially declined payment of this on the ground that the treatment was elective. It subsequently agreed to pay £100 but deducted £90.26.

Hospitalisation and In-patient treatment fees - The vet charged £196.49. C&G paid £100 but deducted £96.49.

C&G says that it allows £100 for 24 hours hospitalisation inclusive of inpatient examination and nursing fees. It says that all hospitalisation fees were charged on 26 December 2021, so T was only hospitalised for one day (26 December) and the maximum payable for 24 hours is £100. Mrs C and Mr M say T was hospitalised for two days and this has been confirmed in a letter from the vet who says that T was admitted at around 07:20 on 25 December and discharged on the morning of 26 December.

Out of hours charge - The vet charged £265. C&G deducted £165 on the basis that £100 was a reasonable fee based on its statistical research into out of hours charges which it says is based on rates which include fees charged on Bank Holidays and Christmas.

C&G also deducted the £90 policy excess.

In making these deductions, C&G relies primarily on the following exclusions in the policy:

*"Vet Fees will only be paid if they are: -  
Reasonable; and  
Essential for Your pet's health and well-being. We may limit any payment to a maximum mark-up of 100% for veterinary Treatment, medication and dispensing fees.*

*"Veterinary Fees*

*What is not insured?*

- *Any claim for cosmetic, elective, or routine Treatment or any Treatment which is preventive and not treating an Illness or Accidental Injury*
- *Any claim where the cost of a referral consultation exceeds £200 and where hospitalisation costs exceed £100 per day”.*

As Mrs C and Mr M weren't satisfied with C&G's final response to their complaint they brought it to this service. Our investigator's view was that several of the deductions made by C&G weren't reasonable.

C&G doesn't agree with our investigator's assessment and has asked that the complaint be reviewed by an ombudsman. It's therefore been referred to me for a final decision from this service.

### **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, I'm upholding Mrs C's and Mr M's complaint in relation to most of the deductions made by C&G. I'll explain why by reference to each of the deductions.

Blood sample fee – The policy states, under “General Exclusions”, that “*Blood sampling charges will be capped at the UK market average*”. Customers are therefore advised that there is a cap on this fee. It's provided its basis for what it considers this figure should be. So I don't think that C&G has acted unreasonably in capping this figure at £12 and deducting the remaining £12.52 charged by the vet. I consider that this is a reasonable deduction.

Fluid therapy – C&G hasn't provided a clear reason why it hasn't allowed the full claim of £190.26 for this treatment having now accepted that the treatment wasn't elective, and has only agreed to pay £100. The vet considered this treatment necessary to treat what C&G itself has described as “a serious emergency”. The policy doesn't specify any limit on the cost of this treatment. It appears that C&G's deduction is based on what it considers to be reasonable. I don't consider that this deduction has been substantiated and I therefore don't consider that it's reasonable. C&G should pay the £90.26 that it deducted.

Hospitalisation – I consider that it's clear from the vet's statement that T was admitted to hospital on 25 December and discharged on 26 December. I've quoted above from the policy which states that it excludes any claim where the hospitalisation costs exceed £100 per day. It doesn't refer to periods of 24 hours and a period of 24 hours being calculated from the date and time of admission to the date and time of discharge. Nor is that the basis upon which Mrs C and Mr M were charged by T's vet. The vet in fact only charged half day rates.

I consider that the reasonable interpretation of the limitation is that it refers to calendar days. T was admitted on 25 December 2021 and discharged on 26 December so he was hospitalised for two days. C&G would be entitled to deduct any sum claimed over £200. The vet's hospitalisation and In-patient examination fee amount to £196.49, so no deduction is appropriate. C&G should therefore not have made any deduction under this heading and should pay Mrs C and Mr M the £96.49 it's deducted.

Out of hours – Among the exclusions within the policy is “*Any out of hours vet fees, except where this is life saving for your pet*”. C&G appears to accept that the treatment T received was to address a potentially life-threatening situation, so I consider that out of hours fees are recoverable, the question then being at what rate can these be recovered.

C&G argues that its research has confirmed that £100 is a reasonable fee for an out of hours consultation and that the costs that exceeded £100 were correctly deducted. It has also argued that the policy states that it excludes “*Any claim where the cost of a referral consultation exceeds £200*”, and as T was seen by his regular vet and not a referral vet, this limit doesn’t apply.

In my opinion, as T was not seen by a referral vet but by his regular vet, the only limitation that might apply to claiming the amount charged is by reference to what is reasonable. C&G says £100 is reasonable for services provided on Christmas Day. In my view it’s not unreasonable for T’s vet to charge Mrs C and Mr M £265 taking into account that the vet was first contacted at 07:21 on Christmas Day. I therefore think C&G’s deduction of £165 is unreasonable in the circumstances and it should be paid.

Excess – This is a legitimate and reasonable deduction as payment of an excess is clearly provided for in the policy.

### **My final decision**

For the reason I’ve given above I’m partly upholding Mrs C’s and Mr M’s complaint. I require Casualty & General Insurance Company (Europe) Limited:

1. to pay Mrs C and Mr M £351.75 being the amount it’s deducted from their claim but excluding the deduction of £12.52 for blood samples and the £90 policy excess. It should also pay a further £100 in respect of T’s fluid therapy if it hasn’t already done so.
2. to pay Mrs C and Mr M interest on the sum so paid to them at the simple rate of 8% from the date of their claim to the date payment is made to them.

If Casualty & General Insurance Company (Europe) Limited considers that it’s required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs C and Mr M how much it’s taken off. It should also give them a tax deduction certificate if either of them asks for one so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs C and Mr M to accept or reject my decision before 24 March 2023.

Nigel Bremner  
**Ombudsman**