

The complaint

Mrs P complains about HDI Global Specialty SE and their decision to decline two claims she made on her pet insurance policy.

What happened

Mrs P took out a pet insurance policy, underwritten by HDI, in late March 2022 with a policy start date of 31 March.

On 10 May, Mrs P took her dog, who I'll refer to as "B, to her vets as B had been licking his anal glands. Mrs P and her vet agreed a course of action, which included medication and potential food changes to monitor any sensitivities.

While this treatment was ongoing, B developed an ear infection. This was treated with medication while further investigations were completed, and Mrs B's vet decided to treat B for symptoms of atopy/allergies. This treatment and a change of diet improved B's condition, and Mrs P submitted two claims to HDI to cover the costs she'd paid from May to August 2022.

But HDI declined both claims. They thought B presented symptoms of atopy/allergies in March 2022, before the policy was inception. And so, they felt the condition was pre-existing and any claim was excluded under the terms and conditions of the insurance policy.

Mrs P was unhappy about this, so she raised a complaint. Mrs P referred to her vets' opinion, already provided to HDI, that there was no reasonable link between the anal gland issue identified in B's annual vaccination appointment on 25 March 2022 and the last atopy diagnosis. So, she wanted HDI to accept the two claims she'd made. Mrs P was also unhappy with how long it had taken HDI to assess the claims she made.

HDI responded to the complaint and upheld it in part. They accepted the claims had taken longer than they would've liked to reach a resolution. And they accepted they could've communicated with Mrs P better during this time. So, they paid Mrs P £30 to recognise any inconvenience this caused. But they thought they'd declined the claims fairly, based on the pre-existing condition exclusion, due to the issues found with B's anal glands before the policy inception. So, they didn't think they needed to do anything more for this aspect of the complaint. Mrs P remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They didn't think HDI had applied the exclusion fairly, as they felt B's treating vet had made it reasonably clear the issue with the anal glands couldn't be directly linked to the later diagnosis of Atopy/allergies. So, they thought HDI should reassess the claims against the terms of the policy, on the basis the conditions weren't pre-existing before the policy inception. And if following this HDI accepted the claims, our investigator thought HDI should pay Mrs P 8% statutory interest on any payment, to recognise the time Mrs P was without the funds that she'd already paid the vet.

Mrs P accepted this recommendation. But HDI didn't. HDI maintained their belief that the issue with the anal glands was first present before the policy was inception. And they felt it

was reasonable to assume this issue was linked to the atopy and so, the subsequent ear infection. HDI also referred to B's history of ear problems in 2021, which they felt strengthened their position. So, they thought the claims had been declined fairly and didn't think they needed to do anything more. As HDI didn't agree, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note HDI have already paid Mrs P £30 to recognise the length of time it took for them to progress her claim. And from what I've seen, this £30 has been accepted and paid. As this isn't disputed, I haven't thought about this aspect of the complaint any further as I'm satisfied it's been resolved satisfactorily. Instead, my decision focuses on the main area of dispute, which centres around the declinature of the claims Mrs P has made.

Before I explain why I've reached my decision, I think it would be useful to explain exactly what I'm able to consider, and how. It is not my role to re-underwrite the claim, as I don't have the expertise to do so. Instead, it is my role to consider the actions HDI have taken and decide whether I think they've been both fair and reasonable.

Where an insurer such as HDI applies an exclusion to decline a claim, it is their responsibility to show this exclusion is valid and has been applied fairly. So, in this situation, I need to be satisfied that HDI have acted fairly when deciding that the treatment Mrs P has claimed for related to a pre-existing condition.

And when considering this, our service's general approach is to place a greater weight on the opinion of the vet who has treated the animal, as they have a greater in-depth knowledge of the animal and its medical history. And they have seen any symptoms at the time they were displayed and present.

I can see that when HDI considered Mrs P's claim, they asked Mrs P's vets for their comments before declining both claims. And after receiving the vet's comments, HDI decided that the anal glands first presented symptoms for atopy/allergies on 25 March 2022, six days before the policy inceptioned.

I've considered the comments Mrs P's vet provided to HDI at length. As both Mrs P and HDI have seen these comments, I don't intend to provide a full summary of everything that was said.

But I can see that Mrs P's vet has stated that *"I do not feel that emptying anal glands due to some licking on one occasion at a booster vaccination is indicative or related to a future issue. This is a very common finding and request."* So, I don't think Mrs P, or her vet, were aware of any atopy/allergy issues at this time and so, when the policy was inceptioned. And I think this makes it reasonably clear that Mrs P's vet didn't think the gland issue present on 25 March was a definite symptom of the atopy/allergies that were later diagnosed.

And because of this, I don't think I'm able to say that HDI have acted fairly when deeming the condition to be pre-existing, as I don't think there is any sufficient evidence that

reasonably links the anal gland issue noticed on 25 March, before the policy inception, to the diagnosis and treatment for atopy/allergies.

I understand HDI are unlikely to agree with this outcome. And I want to reassure HDI I've carefully considered another e-mail Mrs P's vet sent to HDI as part of the claim process, where they did state that the timing of the food change may support a link between the anal glands and the ear infection. But even within this e-mail, Mrs P's vet states, *"In short, it's difficult to be completely certain" and "There did appear to be a degree of anal gland infection though, which can occur without allergy/underlying cause if not recurrent"*.

And the email also goes onto explain that, while ongoing ear issues can be due to atopy or food sensitivities *"it is not unusual for any dog to have the occasional ear infection, particularly when young, which completely resolves and is unrelated to atopy/adverse food reactions – as per the episode in November 2021."*

So, I think even within this it's clear Mrs P's vet couldn't make any certain and definitive links between the anal gland issue and the ear infection that later presented. So, even if I were to say the anal gland issue noted on 25 March was most likely linked to the later atopy diagnosis, I don't think this means the ear infection definitely was.

I think the vet's comments also make it clear that the ear infection in 2022 wasn't linked to the ear issues present in 2021, as these had been treated and resolved for six months. So, I don't think HDI's comments to our investigator concerning the previous ear issues impact my decision on this occasion.

So, as I think HDI have applied the exclusion to both claims unfairly on this occasion, I've then thought about what I think HDI should do to put things right.

Putting things right

When thinking about what I think HDI should do, any award or direction I make is intended to place Mrs P back in the position she would've been in, had HDI acted fairly in the first instance.

On this occasion, had HDI acted fairly, I don't think they would've deemed the condition to be pre-existing. So, HDI would've continued to consider Mrs P's claim against the rest of the insurance policy. And this is what I think they should do.

If this assessment leads to Mrs P's claims being upheld, then I think HDI should add 8% statutory interest to any payment they make, from the date Mrs P paid the fees, to recognise the length of time Mrs P has been without access to the funds.

I think it's worth noting that following the reassessment of the claim, HDI are able to apply any relevant exclusions for future periods of cover, should they wish to do so as long as this falls within their usual business processes and approach.

My final decision

For the reasons outlined above, I uphold Mrs P's complaint about HDI Global Specialty SE and direct them to take the following action:

- Re-assess Mrs P's claims, without applying the pre-existing conditions exclusion; and
- If this results in Mrs P's claims being accepted, apply 8% statutory interest to any payment made to Mrs P, from the date Mrs P paid the fees to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 28 February 2023.

Josh Haskey
Ombudsman