

The complaint

Mr C complains that when his dog had surgery Casualty & General Insurance Company (Europe) Ltd made deductions from his vet's bill, as they said they'd only cover the market average amount of general anaesthetic. And they refused to cover the cost of fluid therapy which his vet said they use in every surgery.

What happened

Mr C has insurance for his dog with C&G. His policy started on 22 December 2021 and provides £3,000 cover for vet's fees subject to a policy excess of £99.

In February 2022 Mr C took his dog to the vet as he was being sick, struggling to breathe at night and his sleep was disturbed. He was diagnosed with Brachycephalic Obstructive Airway Syndrome (BOAS) and required surgery. He had his surgery on 28 March 2022 and Mr C paid his vet's bill of £1,790.91.

Mr C submitted a claim to C&G for this amount. On 5 May 2022 Mr C was advised by C&G that his claim had been assessed and accepted. But they were only prepared to pay £1,297.96, as in addition to Mr C's policy excess, they'd made the following deductions: -

Admission/Discharge fees	£16.63
Buster Collar	£10.68
Fluid Therapy	£113.95
General Anaesthetic Over £250	£252.69

They said Mr C's policy didn't cover administration fees charged by his vet or the cost of a buster collar, and he accepts this.

C&G also said it didn't cover the cost of fluid therapy, as they regarded this as elective or preventative treatment in a dog younger than eight. And they allow £250 for the cost of general anaesthetic, this cost having been deemed a reasonable fee based on their own statistical research.

Mr C's vet emailed C&G on 6 May 2022 saying that they routinely give IV fluids during BOAS surgery, due to potential blood loss and to prevent blood pressure drops or hypovolemia (loss of body fluids). And fluids are also used with prolonged general anaesthetic to assist patient recovery.

Mr C also told C&G that he'd spoken to his vet about the £250 limit they'd put on general anaesthetic, and the vet couldn't understand where this figure came from, as every procedure requires a different amount, depending on the complexity and length of the surgery.

Mr C wasn't happy with the deductions C&G had made in relation to the cost of fluid therapy and general anaesthetic and raised a complaint.

C&G issued their final response to Mr C's complaint on 28 June 2022. They didn't uphold his complaint. They said that his policy clearly stated in Section 1 – Veterinary Fees that they didn't cover

“Any claim for cosmetic, elective, or routine Treatment or any Treatment which is preventative and not treating an Illness of Accidental Injury, including or not limited to the following:

- Any claim costs where routine Treatment is carried out as part of a wider Treatment.”

And in Section 9 – General Exclusions

“We will not pay claims for any of the following reasons:

- Vets Fees will only be paid if they are: - Reasonable and Essential for Your pet's health and well-being.
- Each and every claim will be reviewed by Our claims assessors and costs will be compared against charges for the same or similar Treatment to make sure that the Treatment and veterinary fees are reasonable, Necessary, essential, and not excessive compared to the rest of the UK market.

They said Mr C was provided with the full terms and conditions when he took out his policy and had accepted them, as they hadn't received any notification that he wished to cancel his policy.

C&G regard fluid therapy as a routine treatment, which they would only cover if there were extenuating circumstances, such as the fluids being required to save the pet's life and they wouldn't have survived without this additional treatment. And as the vet's notes from the surgery hadn't said Mr C's dog was ever in critical condition, they believed they'd correctly deducted the fluid costs.

In respect of the cost of general anaesthetic they said that as insurers they reserve the right to pay only reasonable costs. And recent research had shown that £250 was a reasonable fee for general anaesthetic.

Mr C wasn't happy with C&G's response and complained to our service. Our investigator considered the case, and asked C&G to provide evidence of the research they'd relied on to say that £250 was a reasonable figure to cover the general anaesthetic required for BOAS surgery. C&G didn't provide any evidence. They simply said that this figure was based on the standard fees they were regularly presented with.

Our investigator provided her opinion and upheld Mr C's complaint. She said C&G hadn't been able to provide evidence to show the amount Mr C's vet had charged for general anaesthetic was unreasonable. And the amount required would be dependent on the size of the dog, his breed, his weight, and the length of the surgery.

She also felt they'd unfairly declined the claim for the cost of fluid therapy, as she didn't believe Mr C would have known from his policy that this wouldn't be covered. And Mr C's vet had said the fluid therapy was essential. So it wasn't a separate 'routine treatment' it was part of the surgery, and the dog wouldn't have required it if he wasn't having surgery.

So she said C&G should pay the full fluid therapy and general anaesthetic costs together with 8% interest.

Mr C accepted our investigator's opinion, but C&G didn't. They didn't provide any further evidence but did say they'd previously provided the wrong policy terms and conditions, and his policy wording about the cover provided for fluid therapy was different.

Our investigator considered this, but said it didn't change her opinion, as Mr C's vet considered the fluid therapy to be an essential part of his dog's BOAS surgery.

The case has now come 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.

There are two elements of Mr C's vets' fees which I need to consider. The charges for fluid therapy and those for general anaesthetic.

I'm going to consider the cost of general anaesthetic first. C&G have said they're only prepared to pay £250 as they consider this to be a reasonable cost based on 'statistical research'. When we asked them to provide this research they didn't, and simply said this figure was based on the standard fee they're presented with.

I'm not persuaded by this. They haven't provided any evidence to suggest that the fee charged by Mr C's vet was unreasonable. The vet has said that every surgery requires a different amount of general anaesthetic. I accept this as every surgery is going to differ in the time it takes, and its complexity, which is going to affect the amount of anaesthetic required. As will the dog's breed, size, and weight. And the person best placed to assess what is required is the vet carrying out the surgery. So I don't think it was reasonable for C&G to cap the amount of the general anaesthetic they were prepared to pay for.

Turning to the fee charged for fluid therapy, C&G have told us that there's been a change in the terms and conditions of Mr C's policy. But I don't think this is correct.

C&G say the policy now includes the following exclusion in relation to fluid therapy: -

"Any costs in excess of £100 and/or greater than 24 hours relating to intravenous infusion for pets younger than 8 unless directly related to treatment that was life-saving for Your pet and Your Vet confirms this to Us."

I've considered the copy of his policy Mr C provided when he referred his complaint to us, and it includes this term as part of the list of treatments which aren't covered by the policy.

I don't think this exclusion is clear, particularly when considered in relation to the cost of fluid therapy given during surgery. Having read this exclusion I don't think Mr C would have known that fluid therapy given by his vet during surgery wouldn't be covered.

And it's important to note that this wasn't the basis on which the claim for the cost of fluid therapy was declined. It was declined as C&G said it was "routine treatment" carried out as part of "a wider treatment".

So is this correct? Mr C's dog was having BOAS surgery. His vet told C&G in May 2022 that they give IV fluids during this surgery due to potential blood and fluid loss, to prevent blood pressure drops and to assist recovery after prolonged general anaesthetic. And the vet had told Mr C that they wouldn't do the surgery without fluid therapy.

I don't accept C&G's view that the fluid therapy was a routine treatment, which was part of a wider treatment. Mr C's dog was having surgery which required the use of fluid therapy. He wouldn't have needed this if he wasn't having surgery, and the surgery couldn't go ahead without it. So I'm persuaded that the fluid therapy was an essential part of the surgery, not a separate "routine treatment".

I'm persuaded that Mr C's vet gave IV fluids during his dog's surgery to ensure he came safely through the surgery to aid his recovery afterwards. So in this respect the fluids can be regarded as lifesaving. And C&G haven't provided any evidence to suggest otherwise, so I require them to cover this cost.

Mr C has told us about the impact the way in which C&G dealt with his claim has had on him. And I accept this. I let the parties know that I intended to require C&G to pay £150 compensation for the distress and inconvenience their handling of his claim has caused Mr C.

C&G have responded saying that they've reviewed the case and they're prepared to pay the costs they previously deducted for the cost of general anaesthetic and fluid. But they don't agree to pay Mr C £150 for distress and inconvenience as they responded to his complaint within eight weeks and they responded to our requests for information promptly.

I'm not considering how C&G handled Mr C's complaint. I'm considering how they handled his claim. They've now agreed to pay the full cost of the general anaesthetic and the fluid therapy used during his dog's surgery. But they had the opportunity to do this much earlier as Mr C's vet contacted them in May 2022 about the use of fluid therapy. And Mr C also told them his vet didn't understand the limit they'd put on general anaesthetic, as each surgery required a different amount.

So I'm satisfied that the way in which C&G have handled Mr C's claim has caused him distress and inconvenience. And I require them to pay him £150 compensation for the impact this has had on him.

My final decision

For the reasons set out above my final decision is that I uphold Mr C's complaint about Casualty & General Insurance Company (Europe) Ltd.

To put things right I require them to cover the full cost of the general anaesthetic and fluid therapy used during his dog's BOAS surgery. Together with 8% simple interest on the amount paid by Mr C from the date of payment until payment is received by him.

And to pay Mr C £150 compensation for the distress and inconvenience their handling of his claim has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 June 2023.

Patricia O'Leary
Ombudsman