

## **The complaint**

Mr B complains about Covea Insurance plc's decision to decline a claim made under his pet insurance policy.

## **What happened**

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mr B has been represented by a family member in making this complaint. For ease of reference, I'll refer only to Mr B below.

Mr B has pet insurance underwritten by Covea which covers his pet dog. He originally took out the policy in 2019.

He made a claim – for around £140 - in May 2022 after their vet had treated the dog for hypersensitivity disorder.

Covea rejected the claim on the basis that the treatment was for a condition that had first presented (in 2018) before the policy was taken out. They pointed out that the policy terms said that pre-existing conditions would not be covered.

Mr B wasn't happy with this and made a complaint to Covea. He said the treatment in 2018 had been for a completely different part of the dog's body and wasn't related to the issue in 2022.

However, Covea maintained their stance. They said they'd made some enquiries with the treating vet, who couldn't confirm that the symptoms in 2018 and 2022 weren't a result of the same condition.

Mr B brought his complaint to us. Our investigator looked into and thought Covea had done nothing wrong. She thought the evidence suggested an on-going condition – the dog suffers with allergies – throughout the period between 2018 and the date of the latest claim.

Mr B disagreed and asked for a final decision from an ombudsman.

Because I disagreed with our investigator's view on the case, I issued a provisional decision. This gave both Mr B and Covea an opportunity to provide further information or evidence and/or to comment on my thinking before I issue this, my final decision on the case.

## **My provisional decision**

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I should be absolutely clear from the outset that I agree with our investigator that the

veterinary evidence strongly suggests that the allergic reaction the dog was treated for in 2022 was linked to the condition treated in 2018.

The treatment may have related to different areas of the dog's body, but it is treatment for hypersensitivity or allergy.

Mr B's representative said themselves that the dog suffers from allergies. Covea's expert said the episodes between 2018 and 2022 were essentially for the same condition. Mr B's own vet didn't contradict this opinion when specifically asked.

I'm also satisfied that the policy terms clearly state that Covea will not cover the cost of treatment for pre-existing conditions.

In principle then, I'm satisfied that, all other things being equal, Covea would be entitled to decline the claim in 2022 on the basis that the treatment claimed was for a pre-existing condition which first presented in 2018, before Mr B first took out the policy.

However, the situation is considerably more complicated than that because Mr B had a claim – for just over £300 - for treatment for the same condition, settled in June 2021. That was around 6-8 weeks before Mr B renewed his policy.

The policy terms and conditions document starts with the following paragraphs:

*“4Paws pet insurance Life Premium provides cover for veterinary treatment costs, due to illness or injury, for the lifetime of your pet. However, we do not cover any illness or injury (including clinical sign(s)) which happened before cover started.*

*Cover is annually renewable, provided we offer and you accept our renewal invitation. Your pet will benefit from continuous cover, including costs for recurring conditions. Once renewed the maximum limits for the cover selected will be available again.*

*It is important to note policy terms and conditions can change over time. Your premiums may increase due to factors such as your pet's age, claims history and our view of the future costs of providing cover.”*

In this case, I think the wording of those paragraphs has two main implications.

One, when Mr B renewed the policy in August 2021, his decision to renew will undoubtedly have been based – at least in some part – on the assumption that Covea would continue to cover the condition for which the claim was made (and settled) in June 2021, just prior to renewal.

That claim related to allergies, so Mr B might have reasonably expected continued cover for allergies in the year after renewal.

Two, Mr B's premium at renewal will have been calculated taking into account his claims history – including the claim made in June 2021, just prior to renewal.

In other words, he will have paid a premium which reflected the on-going risk, calculated with the previous claims in mind. It would then be odd – and unfair - to decline a claim arising from a risk which had presumably been factored into the premium required at renewal.

I am aware that the broker who sold the policy switched underwriters in 2022. Mr B was informed of this in the renewal letter he received in August 2022.

Covea may suggest that the previous underwriter made an error when they accepted the June 2021 claim. And that it should have been rejected on the basis that the claim was for treatment of a pre-existing condition dating back to 2018.

They may also suggest that they shouldn't effectively pay the price for that error on the part of the previous underwriter by being required to settle the most recent claim.

However, I have to look at this case in terms of fairness to Mr B. He renewed his policy – accepting the terms and the premium offered by Covea – on the basis that treatment for the same condition across policy years would be continuous.

And so, he had a reasonable expectation that the cover for allergy-related treatments would continue, given that it had been covered in 2021.

I should also say that Covea agreed to take over the underwriting of this policy from the previous underwriter, presumably on the basis that was commercially advantageous to themselves.

And in taking it over, there must – or should - have been an acceptance that any errors or glitches in the previous handling of these policies came as part of that package.

For those reasons, I'm minded to require Covea to settle the May 2022 claim. And to accept that cover continued – for that condition and any others – through the full policy year (up until the renewal date in August 2022).

I suspect there will be no further claims now for the period between May 2022 and August 2022. But if there were any new claims for that period, Covea should, of course, consider them in line with the terms and conditions of the policy.

And to be clear, Covea should not decline any claims for treatment for allergies in that brief period (May to August 2022) on the basis that the condition was pre-existing.

I don't know whether Mr B chose to renew his policy in August 2022. If he did, then he would have done so in full knowledge of the fact that Covea wouldn't cover any claims after that point for treatment for allergies related to the pre-existing condition.

And so, I'm satisfied that, after August 2022, Covea would be entitled to rely on the policy terms relating to pre-existing conditions to decline any claim relating to treatment for the allergies and hypersensitivity which first manifested itself in the dog in 2018.

In summary, I'm minded to conclude that, because Mr B had certain (justified) expectations after the claim was settled in June 2021, Covea should cover Mr B's dog's treatment (for allergies / hypersensitivity) for the policy year (August 2021-August 2022) after the next renewal.

But after August 2022, when the policy was due for renewal again, Covea would have no obligation to cover treatment for conditions related to those treated originally in 2018.

Finally, I'll address the issue raised by Mr B's representative about compensation for her trouble and upset. She has told us that the issues around the declined claim have caused her considerable stress and inconvenience. And she thinks Covea should compensate her for her trouble and upset.

As our investigator has explained, the representative is not a customer of Covea and isn't a legitimate complainant according to the Financial Conduct Authority's rules, which govern the way our service operates.

And that means we can't award compensation for her trouble and upset. There is no discretion for us to ignore those rules whatever the circumstances of the particular case."

And on that basis, I said I was minded to require Covea settle in full the claim made in May 2022 – and to consider, in line with the policy terms, any claim made for treatment in the period May to August 2022.

### **The responses to my provisional decision**

Covea haven't responded to my provisional decision at all.

Mr B's representative responded to say Mr B agrees with the outcome in principle. But she's said again that she finds it hard to accept that she can't be compensated for her trouble and upset.

### **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.

I'm going to conclude that Covea's non-response to my provisional decision means they either agree with it or don't have any further information, evidence or argument that might affect it.

Mr B also agrees with the outcome, so I have no reason to change my mind about that.

I completely understand what Mr B's representative tells us about how these events have impacted her – and why. And I understand her frustration that there isn't a means for her to be compensated for her trouble and upset.

I'm not sure it will be any consolation, but she has my sympathy. And I hope she'll understand that we have heard what she's said. However, that doesn't alter the fact that we don't have any discretion at all to award compensation for her trouble and upset – for the reasons we've explained previously.

### **Putting things right**

I said in my provisional decision that I was minded to require Covea to settle the May 2022 claim – and to consider any further claims for treatment between May and August 2022. And I explained why I'd come to that conclusion.

The response to my provisional decision hasn't given me any reason to change my mind about that.

**My final decision**

For the reasons set out above, I'm upholding Mr B's complaint.

Covea Insurance plc must settle in full the claim made in May 2022 – and consider, in line with the policy terms, any claim made for treatment in the period May to August 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 March 2023.

Neil Marshall  
**Ombudsman**