

## The complaint

Mr T has complained that Casualty & General Insurance Company (Europe) Limited (C&G) has made a number of deductions from the amount he has claimed under the insurance policy for his pet dog.

## What happened

When Mr T's pet dog, who I'll refer to as "A", became unwell in April 2022, Mr T took her to her vet. She was found to have a splenic mass. This required A to undergo a splenectomy. This vet couldn't operate, so A was taken to a larger surgery who quoted £10,000 but who then decided they couldn't operate on A either. A was then driven to a third vets who were willing to operate and who quoted £4,000. After payment of a £250 deposit, the vet's final bill came to £4,250. The maximum payable under Mr T's policy for veterinary treatment is £4,000, and Mr T assumed that that C&G would pay this.

However C&G identified a number of items in the vet's invoice which it considered should be deducted from the amount of Mr T's claim. In its final response letter to Mr T some 22 weeks after he'd submitted his claim, C&G referred to the terms of Mr T's policy and to the limitations on what can be claimed for. These were:

### 1. Items where an item is specifically excluded from cover

<u>Warming blanket</u>	£61.68
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### 2. Items where a specific financial cap is stated in the policy.

<u>Hospitalisation over 1 day</u>	£178.88
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The policy says it will pay up to £100 per 24 hours for Hospitalisation. As the vets had charged £278.88 for this C&G deducted £178.88.

<u>Consultation fee over £200</u>	£230.00
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The policy says it will pay up to £200 for Referral Consultation fees. As the vets had charged £430, C&G deducted £230.

### 3. Items where the following term is referred to.

*"General Exclusions*

*• 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."*

<u>General anaesthetic over £250</u>	£389.62
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C&G says it will pay up to £250 for General Anaesthetic as this is what it considers reasonable. As the vets had charged £639.62 for this it deducted £389.62.

<u>Fluid therapy</u>	£222.82
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<u>Lab interpretation over £25</u>	£105.75
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C&G says it will pay up to £25 as this is what it considers reasonable.

<u>Medications over 100% mark- up</u>	£12.92
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#### 4. Items where the following term is referred to.

*“What is not insured?*

*Any miscellaneous costs that do not directly relate to the Treatment of an Illness or Accidental Injury, including but not limited to single use items, non-medical items, cleaning supplies and other such costs that a Vet may charge but are not directly related to the actual Treatment of Your Pet”.*

<u>Consumables</u>	£200.45
<u>Surgical pack/ drape pack fees</u>	£180.57
<u>Waste disposal</u>	£12.05

In July 2022, C&G paid £2,703.89 towards Mr T’s claim. It then paid a further £294.80. This left Mr T with a shortfall of £1,296.11.

Mr T brought a complaint to this service in November 2022. He said that there remained £1,546.11 outstanding to A’s vet and that this was causing him financial problems as well as considerable stress and upset. He wanted C&G to pay the remaining £1,296.11 which would take the total paid by C&G up to the policy limit of £4,000. He says he’s been treated very unfairly by C&G as he couldn’t be expected to know the detail about what C&G would or wouldn’t pay for and in the circumstances there was no time to pick and choose a vet based on the fees they would charge.

Our investigator’s view was that whilst some deductions were reasonable as the amount deducted was specified in the policy, Mr T wouldn’t have been aware of other deductions or potential treatment caps, which was unfair. She considered that it was reasonable for C&G to make a deduction for hospitalization costs in excess of £100 and a buster collar as these items were reasonable and had been fairly applied. She recommended that C&G pay the other deductions it had made.

In response to our investigators view, C&G agreed to pay further sums in respect of A’s fluid therapy and anaesthetic, but maintained that the other deductions were in accordance with the policy terms.

As C&G doesn’t agree with our investigator’s view as to the other deductions, Mr T’s complaint has been referred to me as an ombudsman 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 Mr T’s complaint in relation to a number of the deductions that C&G has made and I’ll explain why.

I’ve considered the terms of Mr T’s policy. I agree with our investigator that it’s reasonable for C&G to deduct from any claim made the cost of items that the policy states are subject to a specific exclusion or a specified cap and provided that cap has been reasonably applied.

I therefore consider that it is reasonable for C&G to deduct the cost of the following and for the reasons given:

Warming blanket – The policy states under *“What is not insured? Any claims for buster collars, medical vests, and boots (including warming blankets)”*

Hospitalisation over £100 – The policy states, under “*What is not insured?*” Any claim where .....hospitalisation costs exceed £100 per day”

Consultation fee over £200 - The policy states, under “*What is not insured?*” Any claim where the cost of a referral consultation exceeds £200 ...”

Waste disposal – I consider it reasonable for C&G to exclude this as being “*not directly related to the actual Treatment of Your Pet*”

I don't consider it reasonable for C&G to deduct the cost of the following and for the following reasons :

Medication over 100% mark up - I consider that this charge is “*Reasonable; and Essential for Your pet's health and well-being*”. I consider it is for C&G to provide evidence as to why this charge is unreasonable in the circumstances. There is no evidence as to what A's vet paid for this medication and therefore the mark-up applied.

Lab interpretation over £25 – I consider that this charge is “*Reasonable; and Essential for Your pet's health and well-being*”. I consider it is for C&G to provide evidence as to why this charge is unreasonable in the circumstances.

Consumables – I consider it unreasonable for C&G to say that these don't directly relate to A's treatment

In - patient examinations – I don't consider this should be added to hospitalisation costs. I consider it's reasonable to assume that examinations would've been necessary wherever A was whilst she was receiving treatment.

Surgical pack/ drape pack fees - I consider it unreasonable for C&G to say that these “*are not directly related to the actual Treatment of Your Pet*”.

I believe that C&G has agreed to pay the following but for the avoidance of doubt I will express my opinion on their inclusion in the list of items that I don't consider it reasonable for C&G to deduct for the reason given:

Fluid therapy - I consider that this charge is “*Reasonable; and Essential for Your pet's health and well-being*”. I consider it is for C&G to provide evidence as to why this charge is unreasonable in the circumstances.

General anaesthetic - I consider that this charge is “*Reasonable; and Essential for Your pet's health and well-being*”. I consider it is for C&G to provide evidence as to why this charge is unreasonable in the circumstances.

I also consider that the unreasonable delay in C&G's handling of Mr T's claim has led to considerable stress and upset and I agree with our investigator that C&G should pay Mr T compensation of £200.

### **My final decision**

For the reasons I've given above, I'm partly upholding Mr T's complaint. I require Casualty & General Insurance Company (Europe) Limited:

1. to reassess Mr T's claim deducting only the costs that I have stated above to be reasonably deductible, and the policy excess.

2. to pay Mr T the amount so calculated less any sums already paid to him.
3. to pay Mr T simple interest on the sum payable at 8% calculated from the date Mr T submitted his claim to the date that payment is made to him.
4. to pay Mr T £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 June 2023.

Nigel Bremner  
**Ombudsman**