

The complaint

Mr G complains that The National Farmers' Union Mutual Insurance Society Limited (NFU) unfairly rejected a claim on his Horse and Rider insurance policy and caused unnecessary delays when dealing with the claim.

What happened

Mr G took out a Horse and Rider insurance policy for his daughter's horse in May 2018. The policy renewed each year, with the most recent renewal before the claim in question being in May 2021.

Mr G's daughter raised some concerns about the horse in late January 2022. She said there had been a change in his behaviour and he appeared lame in his rear legs.

The horse was seen by a vet in February. The vet arranged x-rays and tests and the horse then underwent surgery. The horse had had bilateral hind leg lameness secondary to mild chronic proximal suspensory desmopathy and a separate issue of a moderate sacroiliac dysfunction was also detected.

Mr G made a claim on the policy for the treatment costs relating to rear bilateral lameness. NFU sought comments from Mr G's vet and instructed its own consultant vet to review the claim. The consultant vet provided a report which concluded that the horse had experienced rear leg lameness in both legs associated with discomfort and pain in the lower hock joints and the sacro-iliac region since 2018.

In April 2022 NFU wrote to Mr G saying it had received a reply from his vet but was unable to validate the claim so had instructed loss adjusters to complete enquiries on its behalf. The loss adjuster arranged a telephone interview with Mr G, which took place in May.

In July 2022 NFU wrote to Mr G explaining that the claim had been refused. NFU said the policy only provided cover for a condition for 12 months and, as the issues in question had been present since 2018, it was no longer covered.

Mr G complained about the decision itself and the way NFU had investigated the claim. In its final response letter, NFU said:

- the investigations were necessary as part of the validation process; and
- the claim decision was made using the information in the consultant vet's report; related to a condition first noted in 2018.

NFU acknowledged it had taken some time to deal with the complaint and offered £75 compensation for this.

Mr G didn't accept the offer and referred the complaint to this service. Our investigator thought it was reasonable for NFU to reject the claim on the basis of the evidence from its veterinary consultant. But she said this decision could have been made on receipt of that report; it wasn't necessary for NFU to carry out extensive further investigations, which had

caused delay and been upsetting for Mr G. She recommended that the compensation be increased to £275.

Mr G then provided further evidence from the vet that had seen the horse and asked for this to be considered. NFU referred this to its consultant, who maintained their view that the conditions were all linked. NFU also explained why it thought the additional investigation had been necessary and didn't agree that the compensation should be increased.

The investigator considered the additional points but didn't change her view on the complaint.

As no agreement has been reached, the complaint has been passed to me to decide.

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 issues I need to decide – the decision to reject Mr G's claim and the way NFU carried out its investigation. When considering both issues I have taken into account that when dealing with a claim, NFU is required to

- handle claims promptly and fairly;
- provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and
- not unreasonably reject a claim.

The starting point is what the policy terms say. Some policies will provide ongoing cover for an animal over the course of its life, but Mr G's policy isn't one of those. His policy provides cover for a condition for 12 months, as follows:

The most WE will pay for each problem or related set of problems arising or becoming evident during investigation or treatment of YOUR HORSE are the limits shown on YOUR SCHEDULE

WE will continue to pay these costs for up to 52 weeks after the date the accident happens or the illness, disease or condition first appears'

This means that the treatment costs Mr G claimed for were only covered if the condition or problem that led to the treatment had started in the previous 52 weeks. If it had started more than a year earlier, it wouldn't be covered.

The horse had been having treatment since 2018 and this was all noted in the clinical notes. Mr G says the earlier treatment was for something different. But the report NFU obtained from its consultant noted that

- the horse had had previous treatment relating to the same parts of the body on multiple occasions in the period between June 2018 and November 2020;
- he had spoken to the treating vet and agreed the response to past treatment had confirmed the pain to be in the parts of the rear legs which continued to cause problems in 2022;
- the horse had had rear leg lameness in both legs associated with discomfort and pain in the lower hock joints and the sacro-iliac region since 2018.

When NFU considered the claim, it didn't have evidence that contradicted the consultant's comments. Based on this I consider it was fair to decide not to cover the claim. The crux of the matter is whether the issues being treated had started within the previous 12 months and

the evidence presented to NFU showed they had been present since 2018.

Mr G has recently provided further comments from the treating vet. NFU's consultant has considered these and explained why they don't lead him to change his opinion. He sets out his thoughts in some detail and concludes:

- the clinical evidence indicates that the persistent hind limb lameness problems that the horse suffers with have been an ongoing problem since 2018;
- the detailed clinical evaluation undertaken in February 2022 confirmed that orthopaedic pathology in the three anatomical areas of the hind limb previously treated continued to cause hind limb pain/lameness in February 2022.

I appreciate the treating vet has presented a different opinion, and their view carries some weight. But even they seem to agree that some of the issues are related. And their comments are brief, while the consultant's report is thorough, addresses the points raised by the treating vet and sets out why he considers the issues are all related. In the circumstances I consider NFU's view that the claim is not covered is in line with the policy terms and is fair.

Having said that, I think that was a decision NFU could have made much sooner. The only point NFU had to decide was when the condition started. It has said the decision is based on the consultant vet's report. While NFU can investigate claims where necessary, it had enough at that point to make its decision – there was clear evidence the same issues had been present for more than 12 months. There was no need for it to carry out any further investigation in order to decide whether the claim was covered.

I don't think the further investigation including a lengthy interview with Mr G was necessary or proportionate, particularly in light of the duty to deal with claims promptly and fairly. This was upsetting for Mr G. I agree it would be reasonable to compensate him for the distress he suffered and the inconvenience caused to him. Taking into account what happened, the amount of delay and the upset caused, I agree a payment of £275 is fair.

My final decision

I uphold the complaint and direct The National Farmers' Union Mutual Insurance Society Limited to pay a total of £275 to compensate Mr G for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 July 2023.

Peter Whiteley
Ombudsman