

The complaint

Mr S complains that HDI Global Specialty SE (“HDI”) has unfairly declined his pet insurance claim. Any reference to HDI in this decision includes its respective agents unless specified otherwise.

What happened

The background of this complaint is known in detail to the parties involved so I’ll summarise what I’ve found to be the key points.

- At the end of October 2021 Mr S rehomed a dog from abroad who I’ll call D. Shortly after arriving in the country D began suffering from diarrhoea and gastrointestinal problems. Several veterinary examinations of D and a referral to a specialist resulted in a diagnosis. Mr S made a claim on his HDI pet insurance policy for the costs incurred.
- HDI initially paid part of the claim (£472.28) but declined further claims totalling £4,216.31. It said this was because D’s vets’ notes showed he most likely arrived in the country with the illness. It said that under the policy the condition being claimed for would therefore be considered as pre-existing and not covered.
- Mr S disagreed and provided a letter from his vet which said D began displaying signs (of diarrhoea) at the end of October 2021 but did not have a history of this prior to import. But HDI said that even if it accepted D didn’t have symptoms prior to arriving in the UK, the vet notes still supported that D’s symptoms were present from the start of Mr S’s ownership of him. And as the policy doesn’t cover illnesses that occur within the first 14 days, the claim still wouldn’t be covered.
- HDI also said that as part of the claim had been paid to Mr S in error, he would need to repay this to HDI in full. It did however acknowledge that this mistake would cause Mr S inconvenience and that there were delays in its handling of his claim. So it offered £100 compensation in recognition of this.
- Our investigator upheld Mr S’s complaint about the matter. She noted that the policy didn’t cover Mr S for any illness that occurs within 14 days of the policy start date. But Mr S’s policy started 14 days prior to D’s arrival in the country and his vets had confirmed his symptoms didn’t start until shortly after his import.
- Our investigator was therefore satisfied the illness Mr S was claiming for occurred outside the 14-day period in question. As a result, she said HDI should retract its demand for Mr S to return the settled claim amount and settle the outstanding claim amount in full along with the £100 compensation already offered.
- HDI didn’t accept the investigators findings. It said the policy didn’t effectively start on the date Mr S took it out, because a general condition of the policy is that the policyholder has to be the *owner* of the pet.
- Mr S said he didn’t become D’s owner until he arrived in the country and so the policy effectively started then. It said that as D’s symptoms occurred within 14 days of *that* date, the claim wasn’t covered.

- HDI asked for an Ombudsman to review the case, so the complaint was passed to me to make to decide.

I issued a provisional decision on this case in March 2023. I've included part of what I said below:

- *Mr S's policy covers him for vet fees. But like most policies of this nature, the cover available is subject to certain terms, conditions, exclusions and limitations as set out in the relevant policy documents.*
- *The general conditions of Mr S's cover are set out on page 19 of his policy booklet, one of which states that "You must be the owner of the pet and your pet must be a minimum of eight weeks old when your policy starts."*
- *From what I've seen, Mr S wasn't the owner of D when the policy started in this case. By his own admission, he became D's owner on the date D arrived in the UK – which was a few days before the end of October 2021.*
- *Prior to D's arrival, Mr S arguably had no insurable interest under his HDI policy as he did not own or have possession of D. With that and the policy conditions in mind I think it's reasonable in this case for HDI to treat the policy as if it started on the date D arrived in the UK rather than the date Mr S took the policy out.*
- *Mr S's policy doesn't cover D for "Any illness that occurs within the first 14 days of the policy commencement date". So on the face of it, if D's illness started within 14 days of his arrival in the UK, the claim isn't covered.*
- *There has been some back and forth and contradiction regarding this point. But as of now, it's my understanding that HDI say D's symptoms started in October 2021 and so the claim still isn't covered. But Mr S says D's symptoms started at the time he first took D to the vets in late November, which was outside the relevant 14-day period and so the claim should be paid. I've carefully considered the information and evidence I've seen so far in relation to this.*
- *Mr S's vet notes initially stated that D had been suffering with chronic diarrhoea since his rehome from abroad. This was initially interpreted by HDI to mean that D had symptoms on arrival to the UK and the claim was declined. Mr S therefore contacted his vets to help him dispute this.*
- *I've seen an email from Mr S to his vets from June 2022 where he says "His (meaning D) policy started the day he arrived in the UK and it was only a few days after that he became ill." Mr S's vets then followed up with an email statement confirming its opinion that there was no history of symptoms prior to import and that D's signs date only from October 2021. So at that point I'm satisfied that both Mr S and his vets clearly confirm in writing that D's symptoms started in October 2021.*
- *I've then looked at the complaint Mr S brought to this service, and this is where the dates become contradictory. One part of his submission says D's symptoms started several weeks after he arrived in the UK, but then in another part Mr S says that it was only at the end of October that D started showing signs.*
- *I can't know for certain when D's symptoms started in this case. So I have to base my decision on what I think is most likely on balance of the available information I've seen so far. And I'm currently more persuaded that D's symptoms most likely started at the end of October 2021. This was the initial timing Mr S gave to HDI and his vets issued a statement supporting this.*
- *Mr S has since changed his position regarding this, citing that he only took D to the vets in late November and that had D been suffering from chronic diarrhoea for*

several weeks before that, he'd have gone to his vet much sooner. So he thinks this supports the fact that D's symptoms started a few days before he visited the vet.

- But that doesn't explain why Mr S (and his vet) gave a different date to HDI and to an extent this Service as set out above. From what I've seen, the November date has been presented by Mr S after HDI raised the 14-day exclusion and without explanation of this change, so is less persuasive to me in this case.*
- It follows on balance of what I've seen so far, I'm still more persuaded by Mr S's initial answer that D's symptoms started at the end of October 2021. And as this is around the same time Mr S's policy started, I'm satisfied D's illness started within 14 days of the policy commencing and so HDI has fairly declined the claim in line with the policy terms and conditions. I therefore don't intend to direct HDI to pay out anything further on this claim.*
- I'm aware HDI has already paid part of the claim to Mr S at an amount of £472.28 which it's now asked him to pay back. But it's my understanding that much of the information HDI has since relied on to decline Mr S's claim was available at the time it approved this amount. It's not Mr S's fault that it made what it says was an "error" in its review of this claim and from what I've seen, HDI has offered no reasonable explanation as to why this occurred.*
- HDI says it's entitled under the policy to seek recovery of these costs from Mr S, but for the reasons set out above, I don't think it would be fair or reasonable in the circumstances of this case for it to do so.*
- HDI has acknowledged there were delays and service failings in its handling of Mr S's claim. I think the £100 already offered is fair to put things right in relation to this. HDI says this has already been paid to Mr S.*

I gave both parties a chance to respond before issuing my final decision. HDI said it had nothing further to add. I've summarised Mr S's comments below.

- Mr S says his legal ownership of D began on 20 October 2021 which was *before* D arrived in the UK. He says this is evidenced by the date on which his application form was formally approved, and by an email from the treasurer of the charity D was rehomed from that supports this. Therefore, Mr S disagrees that it's reasonable in this case for HDI to treat the policy as if it started on the date D arrived in the UK.
- Mr S says he has a strong recollection of HDI telling him over the phone that he should start the policy 14 days before D's arrival in the country to ensure he was outside the 14-day period when he arrived. He thinks HDI should therefore honour the actual policy start date rather than the date he became D's legal owner. In doing so the condition D suffered was outside the 14-day period and so should be covered.
- Mr S maintains that D's condition wasn't pre-existing and says that had D been suffering from diarrhoea from his arrival in the UK he would unlikely have survived up to the point Mr S took him to the vets in November.
- Mr S says HDI's error in accepting the initial part of his claim led him to trust that any further claims relating to the same condition would be covered which is why he proceeded with costly investigations with a specialist. Had HDI declined his initial claim he says it's highly likely he'd have sought alternative treatment and therefore not incurred the significant financial loss he has.

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.

Mr S submitted detailed comments in response to my provisional decision. I'd like to assure him that while my findings are summarised to focus on what I deem to be the key points and crux of this complaint, I have read and considered what he's said in full before reaching my decision. And having done so, my conclusion on this case remains unchanged. I know this will be disappointing to Mr S, but I'll explain why.

- Mr S says he was told to take the policy out 14 days prior to D's arrival in the UK to ensure cover, so he thinks the policy should reasonably start from that date and therefore his claim should be paid in full.
- HDI told us it was unable to locate such a call from the information it had, but regardless of this, the complaint I'm considering in this case is about the claim decline. If Mr S has concerns about how the policy was sold this may be something he is able to complain about separately if he wishes to do so.
- Mr S says if the policy cannot be deemed to commence on the date it was taken out, it should be from the date he became D's legal owner, which he now says was the 20 October 2021.
- But even if I were to accept this as the reasonable commencement date of the policy in the circumstances of this case, (which I'm still not persuaded I do on balance of the information I've seen) I don't think it makes a difference to the outcome.
- I say this because, I'm still more persuaded by what I've seen, that D's symptoms started at the end of October 2021 for all the reasons already set out in my provisional decision.
- To put it simply, if D's symptoms didn't start, as Mr S now says, until a few days before he took D to the vet in mid/late November 2021, I fail to see why he initially told his vets, insurers and this service something different.
- Differing start dates are mentioned throughout the evidence I've seen in this case. But Mr S's response to my provisional decision, in my opinion, doesn't provide me with a reasonable explanation as to why these contradictory dates have been given. And so, I'm still more persuaded by his initial response regarding the start of D's symptoms.
- With that in mind, even if I were to accept a policy commencement date of 20 October 2021, I'm still persuaded D's symptoms most likely started within 14 days of this date anyway – the end of October 2021. So, it would still be fair for HDI to decline the claim in that scenario under the policy terms and conditions.
- Mr S says HDI's error in paying his initial claim led to him believing further claims would be paid. He says had HDI declined the initial claim he would've sought alternative treatment potentially avoiding the significant financial costs he's incurred.
- But I've seen no evidence he could've found this treatment cheaper or that it would have worked or been possible. And I think it's unlikely Mr S would've left D's condition untreated, so costs most likely would always have been incurred.
- In any case, while HDI's initial pay out on the claim may well have left Mr S hopeful any future claims for D's condition would be covered, there was no guarantee. So these and Mr S's other points don't change my conclusion in the circumstances of this case.
- It follows I won't be directing HDI to pay out anything further on Mr S's claim, but I will be directing it to honour the claim amount it's already paid out and to not seek recovery of this from Mr S.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint in part. HDI Global Specialty SE must honour its payment of £472.28 already paid out to Mr S and must not seek recovery of this amount from him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 April 2023.

Rosie Osuji
Ombudsman