

## The complaint

Miss K has complained that HDI Global Specialty SE (HDI) has rejected her claim for the cost of treatment for her dog on the ground that his condition was pre-existing at the start of Miss K's policy. She's also unhappy about the time it took HDI to assess her claim.

## What happened

In November 2021, Miss K fostered a dog from Romania. I'll refer to her dog as "F". She formally adopted him in January 2022.

In July 2022, when F was having his nails cut, the veterinary nurse noticed that F had some warts outside his genitals. Miss K says she'd been aware of these warts since she'd had him and they hadn't got any bigger since she first noticed them. F wasn't troubled by them nor was he in any pain or discomfort. The nurse recommended that the warts be checked out by the vet.

In early August 2022, a CT scan by specialist vets showed that the warts were a mast cell tumour (MCT). It also showed an increase in size of one of F's lymph nodes. Treatment options and potential complications were then discussed.

On 9 September, Miss K was given an estimate of £2,500 - £3,000 for F's surgery in addition to the £2,000 that she'd already incurred to the vets. As F was insured with HDI, Miss K was happy to go ahead with the necessary treatment.

F's MCT was removed on 9 September 2022. This included the removal of inguinal lymph nodes. Miss K has been charged around £6,000 for F's veterinary treatment which she claimed from HDI.

HDI asked for F's clinical history from his primary vets, but this wasn't received by HDI until 24 January 2023 which delayed the assessment of the two claims Miss K submitted. The claims were assessed on 25 January 2023.

HDI rejected Miss K's claims. It stated that F's medical history confirmed that the MCT had been present since Miss K acquired F, which Miss K had confirmed. It referred her to the term of her policy which states, under "General Exclusions", that it doesn't cover pre-existing conditions, defined as:

*"Any illness or injury or complication directly resulting from an injury or illness, whether diagnosed or undiagnosed that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance or within the first 14 days of the policy for illness or 24 hours in the case of injury."*

HDI accepts that this makes no reference to signs and/or symptoms but does refer to what was known to Miss K prior to the start of her insurance or within the first 14 days thereafter.

As Miss K wasn't happy with HDI's rejection of her claims and the delay in the handling of them, she brought her complaint to this service.

Our investigator's view was that although Miss K had been aware of the presence of F's warts before the policy was taken out, she wouldn't have reasonably thought the warts were an illness or injury that she would need to claim for in the future. There was nothing recorded in the health/medical history section of F's adoption contract of 17 December 2021, or in F's veterinary history prior to 18 July 2022. No concerns had been expressed about F's warts by any of the vets who had examined F. Her conclusion was that it wasn't fair of HDI to treat F's treatment as arising from a pre-existing condition.

HDI doesn't agree with our investigator's view and has asked that the complaint be referred to an ombudsman. It's therefore been referred to me 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 Miss K's complaint and I'll explain why.

I've had regard to the exclusion upon which HDI relies, which I've quoted above. I've also considered what it is reasonable for Miss K to have known.

The warts that Miss K accepts that she was aware of before she took out her policy hadn't been "*identified or investigated by a vet*" prior to the start of the insurance policy nor was there any reason why Miss K would've known that they were connected with any illness. The charity from whom she had acquired F had said that he was healthy, and her contract states that all dogs that they home are fully vet checked and treated for prior diseases before travel, although the possibility of latent disorders couldn't be excluded.

Miss K also had the confirmation of a Romanian vet who said that he'd examined F a few times and no lesions or any morphological modifications in the genital area were seen.

I consider that had it not been for the veterinary nurse noticing the warts and advising that they be looked at by the vet, Miss K wouldn't have felt the need to refer them to a vet as they weren't getting any bigger or giving any cause for concern and warts wouldn't generally be regarded as an "illness".

I consider that this supports a lack of awareness on the part of Miss K as to F potentially having an underlying illness. And Miss K's state of knowledge is one of the requirements within the definition of a pre-existing condition.

I'm therefore satisfied that Miss K had no reason to believe that F had a pre-existing condition, and F's medical records give no suggestion of one existing before the start of the policy or within 14 days thereafter.

I'm therefore concluding that HDI has acted unfairly in rejecting Miss K's claims. As to the delay in HDI's assessment of Miss K's claims, I consider that there appears to have been a breakdown in communication between HDI, Miss K and the two veterinary practices, the result of which was that HDI didn't receive F's full medical records from his primary vet until 24 January 2023. Having received these, HDI assessed Miss K's claims the following day, declining them.

I therefore don't consider it fair to treat Miss K's claim as capable of being assessed until 24 January 2023 when HDI received the full medical records that it needed in order to do so. I

therefore think it's fair to treat 24 January 2023 as the date on which Miss K submitted her claim for the purposes of an award of interest.

### **My final decision**

For the reasons I've given above I'm upholding Miss K's complaint. I require HDI Global Specialty SE:

1. to settle Miss K's claims subject to any other terms and condition of her policy. This should be by payment directly to Miss K as she has already paid the vets.
2. to pay interest on the sum so paid at the simple rate of 8% from 24 January 2023 until payment is made to her.

If HDI Global Specialty SE considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss K how much it's taken off. It should also give Miss K a tax deduction certificate if she asks for one so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 18 July 2023.

Nigel Bremner  
**Ombudsman**