

The complaint

Mrs B complains that U K Insurance Limited trading as Direct Line declined her claim for treatment of her dog's skin condition, as they said the condition was pre-existing. She'd like them to pay the claim and confirm ongoing cover for skin conditions.

What happened

Mrs B has insurance for her dog with UKI. Her policy started on 1 August 2020. Mrs B owns the dog jointly with her son, Mr B. Prior to her taking out her policy the dog was insured on a policy in Mr B's name. Between 1 August 2020 and 11 June 2021 the dog had dual insurance, with policies both in Mrs B and Mr B's names. Both policies were with UKI.

On 11 June 2021 Mr B contacted UKI to cancel the dog's policy in his name. He told UKI that there were two policies for the dog, and he needed to cancel his as it was more expensive than his mother's. UKI checked the cover the dog had and confirmed that Mrs B's policy started on 1 August 2020. Mr B was told that if his policy was cancelled, there would be no cover for any pre-existing conditions under his mother's policy. He confirmed that he understood this and said the dog had no pre-existing conditions. So his policy was cancelled.

On 22 June 2022 the dog was seen by Mrs B's vet and was noted to have generalised dermatitis affected his ears, axillae (armpits) and inguinum (groin) with erythema (redness) and pruritis (itchiness). The vet thought this was related to allergies and needed investigation. Ear drops and medication were prescribed.

Mrs B submitted a claim to UKI for the dog's treatment which was declined as they said the condition was pre-existing. Mr B raised a complaint on behalf of his mother about the claim being declined and said he'd been put under pressure by UKI to take out a new policy. So they felt UKI should cover the claim and confirm the dog would be covered for skin conditions going forward.

On 4 July 2022 Mrs B's vet provided a letter saying the dog had been seen for an ear infection on 9 August 2019, and more recently for skin issues. The vet was unable to confirm whether the conditions were definitely related, as in some patients she said they're two different pathologies.

UKI provided their final response to the complaint on 3 September 2022. Their letter was addressed to Mr B as Mrs B had confirmed she was happy for him to act as her representative.

UKI said the vet thought the dog's dermatitis was due to allergies, which are a hypersensitive reaction to environmental allergens which cause redness and itching, usually around the ears, face, feet, axilla, and groin. And as dogs scratch the itchy areas this traumatises the skin and can lead to infections.

UKI also said that the dog's clinical records showed these issues had occurred before. On 3 September 2018 he was seen for pustules and papules suggestive of a skin infection. On 9

August 2019 he was seen as he'd been shaking his head, and the vet noted left ear redness, waxy build-up and a Malassezia (yeast) infection, which were treated with an injection and ear drops. He had a further ear infection on 27 June 2021. He was noted to be scratchy with redness and in some areas, and he was losing fur. And on 5 November 2021 he had a "recurrence of generalised dry skin" around his ears and tail with pruritis and dermatitis around the left ear again, and dermatitis around the right ear.

So UKI said the dog's skin and ear problems have been recurring since at least August 2019, before Mrs B's policy started on 1 August 2020. The policy states that it doesn't cover pre-existing conditions, and these are defined as "Any condition or symptoms, or signs of injury or illness, that happen or exist in any form before the pet was covered by this insurance."

UKI said skin allergies are common in dogs and often otitis is the first symptom which gradually worsens over time. And the wax build-up and Malassezia, which occurred in 2019 and 2022 are common secondary issues from allergy related otitis (infection). In June 2021 the dog's neck and back legs were affected and UKI said these are typical areas affected by allergies.

UKI also said they're aware that other conditions can cause skin problems, but there's no evidence of this in this case. So they believe it's likely the dog's condition is caused by allergies, rather than by two separate unrelated conditions. And the claim had been reviewed by their Vet Nurse team who'd agreed that the dog's history didn't indicate a separate cause for the previous recurring episodes of skin and ear problems.

Mr B had also said that he'd been pressured to take out a new policy and the exclusions on new policies weren't explained to him. UKI said they couldn't see any reason why he'd have been pushed to take out a new policy online. They couldn't dispute that a quote for a new policy might have been cheaper, but if Mr B had obtained a quote online, he'd have seen the terms and conditions and details of the exclusions. So UKI didn't uphold Mrs B's complaint.

She then complained to our service.

Our investigator considered the case but didn't uphold the complaint. She said the dog had been treated for skin conditions before the policy started in September 2018 and August 2019. So she agreed the condition was pre-existing and Mrs B's vet hadn't been able to confirm the condition the dog was treated for in June 2022 had a separate cause.

She also said that as the dog's owners Mrs B and her son should have been aware of his medical history, and that he'd suffered from skin problems. And she was satisfied that when Mr B called UKI to cancel his policy, he was made aware that any conditions the dog had previously had would be treated as pre-existing and wouldn't be covered. So she didn't think it was fair to ask UKI to accept a claim that wasn't covered by Mrs B's policy.

UKI accepted our investigator's opinion, but Mrs B didn't. She said she had no medical training and couldn't be expected to know that an ear infection her dog had suffered from in the past, could be linked to a skin condition on his stomach some years later. So she didn't know there was a pre-existing condition. And Mr B said he wasn't satisfied our investigator had listened to the correct call about setting up the policy, as UKI had told him they couldn't locate the call.

Since Mrs B raised this our investigator has sent her a copy of Mr B's call to UKI on 11 June 2021, when he rang to cancel his policy.

The case then came to me for a decision. I issued my provisional decision on 22 March

2023. And in it 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've listened to Mr B's call to UKI on 11 June 2021, when he rang to cancel his policy. And I'm satisfied that the call handler he spoke to made it clear that, if he cancelled his policy, any pre-existing conditions wouldn't be covered under his mother's policy. Mr B confirmed that he was happy with this and said, "There's nothing pre-existing."

I'm not persuaded that Mr B was put under any pressure to cancel his policy. He told UKI that he and his mother had received renewal documents and realised they had two policies for their dog. And he wanted to cancel his because it was the most expensive.

I don't think any call Mr B may have had about setting up his policy is relevant to this complaint. The issue here is that conditions which may have been covered under his cancelled policy, have been treated as pre-existing under Mrs B's policy.

UKI have provided details of what Mrs B would have seen when taking out her policy online. This includes a number of assumptions she'd have needed to agree to, including "You accept that there is no cover for any existing or previous condition or symptoms your pet has suffered or anything in any way related to them."

Mrs B's policy contains a definition of what UKI consider to be pre-existing conditions. This is "Any condition or symptoms, or signs of injury or illness, that happen or exist in any form before the pet was covered by this insurance."

Prior to the start of Mrs B's policy the dog was noted to have "small pustules and papules present on skin, suggestive of a skin infection", in September 2018 and an ear infection in August 2019. On 15 December 2019 the dog had a lump on his caudal (tail) which was said to have been present for a couple of months. He was also noted to have small lump on his cranial chest and a patch of dry skin in the lumbar area. This wasn't infected, but Mrs B was told to monitor it for spread.

These are the only episodes of skin and ear problems recorded in the dog's clinical records before Mrs B's policy started on 1 August 2020.

But there are further entries in his records about his skin before UKI declined the claim made in June 2022.

On 27 June 2021 he was seen by the vet as Mrs B was concerned about patches of missing fur. She told the vet that she'd noticed his ears were a bit red and inflamed, then he started losing fur from his ears. And this had spread to his neck and back legs. The dog hadn't been scratching much but his skin was noted to be really red, irritated, and crusty around the outside of the pinnae (ears). And he had patches of alopecia spreading down his neck and the back of his limbs. The vet couldn't see any obvious parasites but thought the condition could be due to parasites or allergies. The condition was noted to have started about a week ago.

This condition seems much more serious and widespread than the earlier problems in 2018 and 2019.

The dog was next seen on 12 July 2021 when it was noted that his skin was improving but his ears were noted to still be red, waxy and painful. He was prescribed steroids to reduce the redness and itching.

And On 5 November 2021 he was seen for a recurrence of generalised dry skin around the ears and tail.

We then have the notes relating to the treatment on 22 June 2022. On this occasion the vet said they thought the problem was related to allergies and required investigation.

So I need to decide if I think the skin infection the dog had in September 2018 and the ear infection in August 2019 were signs of a pre-existing condition. And whether Mrs B knew when she took out her policy that her dog had a condition she'd need to claim for.

The dog was seen on 3 September 2018 when he had pustules and papules on his skin. This was when he was at the vets to be castrated. He had follow-up appointments on 6 and 13 September 2018 and there's no mention of any ongoing skin problems.

He was seen on 9 August 2019 for an ear infection, but by 13 August 2019 the ear was noted to be better apart from waxy build-up. Mrs B was shown how to clean his ears. Then apart from an area of dry skin noted in December 2019 there no reference to skin problems until June 2021. Although this is shortly after Mr B cancelled his policy, Mrs B's policy had then been in place for almost a year.

I'm not persuaded that a short-lived skin infection in September 2018 and a short-lived ear infection in August 2019 would have put Mrs B on notice that her dog had an ongoing skin condition she'd need to claim for. And while it's clear the dog had problems with his skin in 2021 this was some time after Mrs B's policy started.

I accept that Mrs B's vet hasn't been able to definitely confirm that the dog's ear infection wasn't related to his later skin problems. But I also need to consider what Mrs B knew about her dog's health when she took out her policy. It's for UKI to shown that she should have known he had a condition she'd need to claim for. And based on the current evidence I'm not persuaded that she did.

So I don't think it was fair and reasonable for UKI to decline her claim for her dog's treatment in June 2022.

Mrs B has told us that she's suffered distress and inconvenience as a result of her claim has been handled by UKI and I accept this

And to put things right I require UKI to reassess her claim on the basis that there was no pre-existing condition. And to pay her £150 for the distress and inconvenience she's experienced as a result of how her claim has been handled.

So my provisional decision was that I upheld Mrs B's complaint.

Since I issued my provisional decision Mr B, on behalf of Mrs B, has confirmed that she accepts my provisional decision.

UKI have said that they don't cover pre-existing conditions and they define a 'Condition' as 'Any injury or illness or any symptoms or signs if injury or illness, including related conditions or problems, no matter where these are noticed or happen in or on your pet.'

UKI have provided comments from a veterinary nurse about the dog's clinical history. She sets out details of the symptoms the dog was treated for before June 2022, including those in June and November 2021, as part of the history to be considered when deciding if he had a pre-existing condition.

She says that Mrs B's vet couldn't confirm if the condition the dog was treated for in June 2022 was related to earlier issues.

She's made the following points about the condition: -

- Research is ongoing and the understanding of atopic dermatitis is evolving. It's considered to be a hypersensitivity to environmental allergens like pollen, moulds and mites. And these trigger complex interactions resulting in erythema and pruritis.
- It's a common, genetically predisposed, chronically relapsing, progressive, pruritic and inflammatory skin disease with characteristic clinical features. The onset can vary between six months and six years. And commonly affected areas are those where the fur is thinner, like the ear, around the eyes, axillae, inguinal and interdigital areas. Flare ups are individual and dependent on the allergen and exposure and can be seasonal or all year round.
- Self-trauma and secondary infections can perpetuate the symptoms and can require treatment prior and alongside the management of the underlying cause.
- It's a lifelong disease that requires chronic management that involves combinations of topical and systemic therapies that need to be tailored to each individual dog and owner.
- It's important to recognise other conditions can cause similar symptoms and these should be ruled out before an allergy diagnosis is reached.

In my provisional decision I said I wasn't persuaded that the skin infection Mrs B's dog had in September 2018 and the infection in August 2019 would have put her notice that he had an ongoing skin condition she'd need to claim for. And while he had problems with his skin in 2021 these were some time after her policy started.

In response to this UKI's veterinary nurse has said the following: -

- It's unusual for a patient to be presented with and diagnosed with an allergy on the first symptom. It's a condition that progresses with each exposure so it's dependent on this exposure to the specific allergen. This may be sporadic so patients can be presented multiple times before there's evidence to support a diagnosis.
- It's common for the initial symptoms to be mild, these may not be recognised by the owner and/or treated symptomatically by the vet with anti parasitics and control of secondary infections and steroids before there is enough evidence to support a diagnosis of an allergy.
- In this case we see mild infections at similar times of year (summer) treated with anti-parasitic drugs and steroids until they progress and the vet trials Apoquel.
- Skin and ear infections are recognised symptoms of a skin allergy and although it is not possible to confirm an allergy straight away, this would be considered a differential alongside other possible causes like parasites or foreign bodies.
- Diagnosis is made by considering history, clinical signs and responses to treatment so it is by looking back the vet is able to consider the short lived skin and ear infections in 2018 and 2019 and suspect an allergy as the most likely cause of the worsening symptoms in 2021 and 2022.

- So there were signs and symptoms of the condition prior to the commencement of the policy that have been considered to make the diagnosis prior to the policy.
- They've provided enough evidence to show Mrs B's dog was likely to have been suffering from an underlying skin condition with symptoms present before the policy inception.
- They maintain that Mrs B's claim was assessed correctly.

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.

In my provisional decision I said that what I needed to consider was whether, at the time she took out her policy Mrs B would have known that her dog was suffering from a condition she'd have to claim for. And based on her dog's clinical history at the time I wasn't persuaded that she would have been.

I've considered what UKI's veterinary nurse has said and it hasn't changed my opinion. Quite the reverse, it's confirmed my opinion, as she's said "It's unusual for a patient to be presented with and diagnosed with an allergy on the first symptom. It's a condition that progresses with each exposure so it's dependent on this exposure to the specific allergen." And "It's common for the initial symptoms to be mild, these may not be recognised by the owner and/or treated symptomatically by the vet."

She also said "Diagnosis is made by considering history, clinical signs and responses to treatment so it is by looking back the vet is able to consider the short lived skin and ear infections in 2018 and 2019 and suspect an allergy as the most likely cause of the worsening symptoms in 2021 and 2022."

If that's correct then I simply don't see how UKI can say that Mrs B knew in 2020, when she took out her policy, that her dog had an ongoing skin condition she'd need to claim for. It's for them to show that she would have known this, and they haven't done so. So I don't think they acted fairly or reasonably when they declined her claim.

Putting things right

And to put things right I require UKI to reassess her claim on the basis that there was no pre-existing condition. And to pay her £150 for the distress and inconvenience she's experienced as a result of how her claim has been handled.

My final decision

For the reasons set out above, and in my provisional decision, my final decision is that I uphold Mrs B's complaint about U K Insurance Limited trading as Direct Line.

And to put things right I require them to take the steps set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 26 May 2023.

Patricia O'Leary
Ombudsman