

The complaint

Mr A has complained that Casualty & General Insurance Company (Europe) Limited (C&G) has rejected part of his claim for veterinary treatment for his dog.

What happened

Mr A has had a policy with C&G for insurance for his dog, who I'll refer to as "B", since 7 January 2021. His claim limit at that time was £1,000. On 30 December 2021 Mr A asked to upgrade his policy to one with a claim limit of £4,000 and this took effect from 7 January 2022.

On 11 March 2022 B suffered a bout of vomiting. He was treated by his vet which required out of hours care and involved fluid therapy for dehydration.

When Mr A submitted a claim for B's treatment to C&G, C&G reviewed B's previous medical history and noted that B had been treated for diarrhoea on 24 March 2021, before his policy was upgraded.

It rejected part of Mr A's claim on the ground that the terms of his policy confirm that the increased benefit limit doesn't apply to any claim where clinical signs were present before the upgrade date. The relevant term reads as follows:

"In the event You do upgrade Your Policy, a 14 day Waiting Period will automatically apply to all sections of Your Policy. In addition, the increased Benefit Limits will not apply to any claim where the Condition, Clinical Signs, Symptoms, or Treatment started before the upgrade date in respect of cover for "Veterinary Fee's" or "Overseas Holiday" cover. With respect to all other sections of cover, the increased Benefit Limits will not apply to any claim that occurred prior to the upgrade date."

C&G maintains that as the clinical notes provided by B's vet confirm that B had previously suffered from signs and symptoms of digestive issues in March 2021 whilst Mr A was subject to the lower policy limit, that limit applies to his treatment in March 2022.

C&G also declined Mr A's claim to the extent that it covered the cost of fluid therapy treatment. It maintains that this was considered to be a routine treatment that is included as part of other veterinary treatments and therefore not covered unless there are extenuating circumstances, such as if fluids are necessary to save the pet's life and they would not survive without this additional treatment. It referred to the following policy exclusion under "What is not insured":

"Any claim for cosmetic, elective, or routine Treatment or any Treatment which is preventive and not treating an Illness or Accidental Injury:"

B's vet provided her professional opinion that B's treatment in March 2022 was not for diarrhoea. She said that the diarrhoea B had had in 2021 was resolved at the time by worming treatment, and that it was an intestinal problem. The present claim was for a stomach issue. She also expressed her opinion on the need for fluid therapy, stating that it:

"...is a mainstay of treatment in most if not all cases of vomiting I wholeheartedly believe that [B] would have deteriorated overnight should he not have received them, and thus could have progressed into a life threatening situation".

Mr A says he's suffered financially as he's had to pay the vet on his credit card which is incurring interest. Mr A's veterinary bill for B's treatment amounted to £1,986.53. In settling Mr A's claim, C&G has deducted £986.53. He wants C&G to reimburse him in full for B's veterinary costs.

Mr A also says that he experienced rudeness and poor communication from C&G's agents when addressing his claim and obstruction when wishing to raise a complaint, and has suffered emotional upset and considerable stress which has affected his health.

Dissatisfied with C&G's final response to his complaint, Mr A brought it to this service. Our investigator's view was that it was for C&G to establish that the diarrhoea incident in 2021 was linked to, and was a clinical sign of, the vomiting which led to a claim in March 2022, and that she didn't consider that C&G had done so. But she did consider that it was reasonable for C&G to deduct the cost of fluid therapy on the ground that it was preventative, and therefore excluded by the policy.

Our investigator also considered that C&G should pay Mr A compensation of £150 for the upset and inconvenience he'd been caused.

C&G didn't agree with our investigator's view. It argued that its underwriting criteria treats both diarrhoea and vomiting as "digestive system" problems. Therefore, if B suffered a digestive system problem (diarrhoea) in 2021, this is a clinical sign or symptom of a digestive system problem (vomiting) in 2022. The conditions are therefore linked and so any treatment for vomiting in 2022 is subject to the lower claim limit applicable to the diarrhoea in 2021 when the lower claim limit applied.

As C&G didn't agree with our investigator's view, the complaint was referred to me as an ombudsman for a final decision from this service.

I issued a provisional decision as I had a different view to that of our investigator in relation to part of Mr A's complaint. C&G responded to my provisional decision with an offer of payment with which Mr A has agreed.

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.

With regard to the applicable policy limit, I share our investigator's view that C&G has failed to demonstrate any connection between B's diarrhoea in March 2021, when the £1,000 claim limit applied, and his vomiting in March 2022, when the £4,000 limit applied, other than the fact that C&G treat these both as "digestive system" problems. I consider this to be an unreasonable connection resulting in an unreasonably wide exclusion that wouldn't have been clear to Mr A when he took out his policy as he wouldn't have been aware of C&G's underwriting criteria.

B's vet has provided her professional opinion that B's previous episode of diarrhoea is not related to the vomiting claim - one was an intestinal problem and the other was a stomach problem. C&G hasn't provided any medical evidence to the contrary.

I therefore don't consider that it is reasonable for C&G to apply the lower claim limit to the cost of B's treatment for vomiting in March 2022.

With regard to the deduction of the cost of fluid therapy treatment, I don't share our investigator's view. I don't consider that because a particular treatment is "routine", it should be excluded. I consider that to be an unreasonable interpretation of the exclusion I've quoted above.

In my view, it is reasonable to read the word "routine" in the exclusion in the context of the words that surround it, namely "cosmetic" and "elective" – something that isn't required immediately in response to an illness or accident. I don't consider that it's reasonable to interpret it as meaning the "usual" or "customary" treatment for a particular condition. B's fluid therapy was treating an illness, and B's vet has stressed the importance of such therapy in treating the dehydration caused by vomiting and has said that a failure to give this treatment could be life-threatening. It was "preventative" treatment only in the sense that it was preventing a life-threatening situation. It is therefore unreasonable to exclude it.

I also consider that the compensation of £150 recommended by our investigator for the emotional upset and stress suffered by Mr A is fair and reasonable in the circumstances.

My final decision

For the reasons I've given above I'm upholding Mr A's complaint.

I require Casualty & General Insurance Company (Europe) Limited:

- to settle Mr A's claim by payment to him of £810.53 with interest thereon at 8% simple from 23 March 2022 to the date that payment is made to him.

If it considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr A how much it's taken off. It should also give him a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

- to pay Mr A £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 June 2023.

Nigel Bremner
Ombudsman