

The complaint

Mr M has complained that QIC Europe Ltd unfairly declined a claim on his pet insurance policy and deducted two excess payments from the settlement of another claim.

What happened

Mr M took out a pet insurance policy for his dog with QIC. The policy renewed on 18 January 2022. The excess payable under the policy for vet's fees was £100 with a 20% co-payment. When the policy renewed on 18 January 2023 the excess increased to £125 with a 20% co-payment.

In early January 2023 Mr M took his dog to the vet for dental treatment relating to a tooth abscess. In the course of that the vet found a firm mass in the dog's gum. Mr M authorised the vet to take a sample for a biopsy at a cost of £120.26.

Mr M made a claim to QIC for the cost of the whole treatment. It declined the claim on the ground that the policy only covered dental treatment in the event of an accident or injury.

Mr M made a further claim to QIC for treatment of pyoderma (a skin disease) on 17 January 2023. QIC accepted the claim. After deducting the excess of £100 and a co-payment of £1.62, it paid Mr M £6.49.

Mr M made another claim for treatment of the same condition between 24 January 2023 and 7 February 2023. QIC said that as the claim fell into a new policy year, it would deduct another excess of £125. After also deducting a co-payment of £10.72 it paid Mr M £42.86.

Mr M complained that it was unfair to deduct two excesses for treatment of the same condition within such a short period of time. QIC didn't change its decision.

After Mr M brought his complaint to this service, our Investigator contacted QIC regarding the first claim. It noted that the vet had suspected the mass to be epulis and agreed that wouldn't be classed as dentistry. It said if Mr M wanted, it would refer this back to the claims team but said any payment would be subject to a £100 excess and 20% co-payment.

Our investigator thought QIC had treated Mr M fairly in applying two excesses for the treatment of pyoderma.

As Mr M didn't agree, the matter has been referred to me. Mr M also didn't see why he should have to make another claim for the cost of the biopsy since QIC already had all the information it needed in respect of that.

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.

I can see that Mr M has been very upset by the way his claims have been handled. He doesn't think QIC acted fairly when it considered his claim for treatment of his dog's skin condition as two separate claims over different policy years.

I've looked at the policy documentation for Mr M's policy. To say that QIC has treated Mr M unfairly or done something wrong, I'd need to see that it had failed to follow the terms and conditions of the policy. I know Mr M will be disappointed with this outcome but I don't think that was the case here.

Mr M's pet insurance policy is a yearly limit lifetime insurance policy. It provides cover if his dog needed veterinary treatment up to a limit of £2,000 a year in 2022 and again in 2023. The policy explains:

"All new medical conditions are covered up to the financial limit. If the limit is reached during the insurance year, the cover stops until the policy is renewed. At renewal the limit is fully reinstated and the condition will continue to be covered in the policy the following year."

The Excess is defined as follows:

*"This is the amount that **You** have to pay for each unrelated injury or illness in each policy year. This means that if **Your Pet** receives treatment for the same injury or illness in separate policy years, we will deduct a fixed excess from the first claim(s) paid for each injury or illness in each policy year."*

I think this makes it clear that there is a policy reset every year on renewal. If the ongoing treatment had been more than the £2,000 limit, Mr M would have benefited from the policy reset as he would have a new £2,000 limit for treatments in the new policy year.

It was unfortunate that the treatment of the dog's pyoderma took place over the policy renewal date. But if Mr M hadn't renewed his policy, QIC would have been entitled to decline any claim for treatment that took place after the renewal date.

Based on what I've seen, I don't think QIC acted unfairly or unreasonably in deducting the policy excess from the cost of treatment in the 2023/2024 policy year. I also think the policy terms were sufficiently clear.

QIC has offered to reconsider Mr M's claim for the biopsy, pointing out that any payment would be subject to a £100 excess and 20% co-payment. I think this was fair but agree with Mr M that he shouldn't need to have to make a fresh claim in respect of this as QIC should already have all the information it needs to consider this.

My final decision

I uphold this complaint in part and require QIC Europe Ltd to reconsider Mr M's claim for the biopsy subject to the terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 August 2023.

Elizabeth Grant
Ombudsman