

The complaint

Mr R has complained that Great Lakes Insurance SE (Great Lakes) rejected a claim for treatment for his pet cat after he'd been told that the treatment would be covered.

References to Great Lakes include its agents and administrators.

What happened

On 2 August 2022 Mr R contacted Great Lakes, with whom his pet cat, who I'll refer to as "M", was insured, to discuss cleaning and polishing treatment on M's teeth that had been recommended by her vet. He was told that any claim recommended by a vet could be claimed for. Mr R went ahead with this treatment. When Mr R submitted his claim for the £744.28 cost of this to Great Lakes, it rejected it as his policy doesn't cover dental treatment unless arising from an accident.

Mr R complained to Great Lakes and asked it to refer to the recording of the call he made to it on 2 August 2022. Having done so, Great Lakes upheld Mr R's complaint and accepted that he'd been misadvised. However it said that as the decision to reject his complaint had been correct, it wasn't going to pay his claim. It instead offered him £100 compensation as an apology.

Mr R says that as M's treatment wasn't essential although the vet advised it, he wouldn't have had it done had he known that the cost wouldn't be reimbursed by Great Lakes.

Mr R wasn't satisfied with Great Lakes' rejection of his claim and brought his complaint to this service. Our investigator didn't think that Great Lakes had acted fairly and in her view it should reimburse Mr R for what he'd paid M's vet less any excess with simple interest at 8% from the date this was paid.

Great Lakes didn't agree with our investigator's view but as a gesture of goodwill offered to pay Mr R 50% of the amount claimed less the £100 already paid to him, the policy excess, and a 20% co-payment as at the date of treatment M was over nine years old. This wasn't acceptable to Mr R, so his complaint has been referred to me as an ombudsman 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 Mr R's complaint and I'll explain why.

Mr R accepts that the policy wording excludes claims for dental treatment other than following an accident, although he says he hadn't checked his policy. But he specifically checked the proposed treatment with Great Lakes beforehand.

Having listened to the call recording, I'm satisfied that Mr R made it sufficiently clear to Great Lakes' call handler what the procedure was that the vet had recommended for M. He was told that if the treatment was recommended by a vet, it would be covered. I consider that it was reasonable for Mr R to rely upon that confirmation, and that he wouldn't have made a claim had he been referred to the policy terms or had otherwise been advised that any such claim wouldn't be covered, as the treatment recommended wasn't essential.

Great Lakes has accepted that Mr R was misadvised. He's suffered a financial loss as a direct consequence of this. I consider it only fair for him to be put into the same financial position he would've been in had Great Lakes settled the claim subject to the other terms of his policy.

My decision is that Great Lakes should settle Mr R's claim subject to the other terms and conditions of his policy. That includes the deduction of any excess and any co-payment. It should also take account of any payment already made to him. If M was over the age of 9 at the renewal date of 17 September 2022, as the treatment claimed for took place on 21 October 2022, a co-payment deduction is in accordance with the policy terms. Treatment should precede any claim for its cost. I also consider it appropriate that Mr R should receive 8% simple interest on the sum payable from the date he paid M's vet until payment is made to him by Great Lakes.

My final decision

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

I require Great Lakes Insurance SE:

1. to settle Mr R's claim subject to the other terms and conditions of his policy less any sum already paid to him;
2. to pay Mr R interest on any sum paid to him at the simple rate of 8% from the date he paid M's vet until payment is made to him.

If Great Lakes Insurance SE considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr R 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 September 2023.

Nigel Bremner
Ombudsman