

The complaint

Mr and Mrs T have complained that Liverpool Victoria Insurance Company Limited (LV) unfairly declined a claim on Mrs T's pet insurance policy and about the service they received.

What happened

In September 2021 Mr and Mrs T's dog, whom I'll call M, fell downstairs and injured her right cruciate ligament. She had surgery to repair it.

Mrs T took out a pet insurance policy with LV for M on 14 April 2022.

In May 2022 M injured her left cruciate ligament when she slipped on the driveway. She was operated on in October 2022. Mrs T made a claim to LV. The claim was declined on the basis that the dog was suffering from a pre-existing condition.

Mrs T complained to LV that the claim had been unfairly declined. She was also unhappy with the lack of contact from LV, the delay in assessing the claim and not telling her that the claim might be declined.

LV didn't change its decision about the claim. It accepted that after telling Mrs T on 26 October 2022 that it needed information from her vet, it hadn't been in contact with her again until 3 February 2023. It said the delay in assessing the claim was caused by the need to obtain M's clinical history but it acknowledged it could have dealt with the claim more promptly. It sent Mrs T £30 compensation for this. It said it couldn't say whether a claim would be successful until it had received the full clinical history.

Mr and Mrs T brought a complaint to this service. Our Investigator upheld it. She didn't think LV had treated Mr and Mrs T fairly in saying M was suffering from a pre-existing condition as M had had two separate falls which weren't linked. She recommended that LV should settle the claim and pay simple interest at the rate of 8% on the payments Mr and Mrs T had made in respect of the invoice for M's treatment. She also thought LV should pay a further £150 compensation for the inconvenience and delays caused to Mr and Mrs T.

As LV didn't agree, the matter has been referred to me.

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.

Like many pet insurance policies Mrs T's policy doesn't cover pre-existing conditions. It says:

*"If **your pet** has already suffered from any condition, **illness** or **injury** before this policy or within the **waiting period** (also known as an **exclusion period**), this will not be covered under this insurance as this is called a **pre-existing condition**."*

A “pre-existing condition” is defined in the policy as:

*“Any **illness, injury, behavioural problem or vicious tendency**, or any signs of **illness, injury, behavioural problem or vicious tendency** that occurred or existed in any form before the start date of the policy;...”*

“Related Conditions” are defined as:

*“An **illness or injury** that affects more than one part of **your pet’s** body, or occurs more than once, or that **your pet** is prone or susceptible to (see the ‘Related, recurring, ongoing and bilateral conditions’ section for more information).”*

The policy terms go on to explain what is meant by related, recurring, ongoing and bilateral conditions. It says:

*“Related **illnesses and/or injuries** include conditions that are likely to be recurring, ongoing or affect a part of the body that forms a pair eg knees, feet, shoulders, eyes, ears. A related **illness** that affects more than one part of the body will be treated as one condition. **Related conditions** are treated as one condition., and this includes payment of the veterinary fees excess. This is the way the policy works rather than it necessarily being scientific fact, so **your vet** may state that conditions are not technically related, but **your** policy terms require **us** to treat them in this way.”*

It gave some examples including the following:

*“If **your pet** suffers damage to a right knee ligament and some years later suffers damage to a left knee ligament, these will be considered to be the same **illness or injury**.”*

I think it’s clear that the policy terms provide no cover for Mr and Mrs T’s dog’s injury based on a strict interpretation of them. But my remit is to decide whether LV has acted fairly and reasonably in declining the claim.

Our general approach to bilateral or related conditions is that they should be treated as two independent conditions unless there’s evidence that establishes the first condition led to the second condition or that the second condition was noted as likely to happen at some point in the future when the first condition was diagnosed.

I’ve noted that the vet who saw M in September 2021 noted a diagnosis of “CCL injury” which I take to mean an injury to a cranial cruciate ligament. The vet who operated on M in 2021 said six weeks after the surgery that M was walking well. He noted:

“The range of motion and stability of the stifle was good. No issues could be detected on palpation.

Radiography

Orthogonal views of the right stifle evidenced good osteotomy healing and no implant related issues.”

So it appears that M recovered well from the injury and subsequent surgery. There is nothing to indicate M had signs of cruciate ligament disease. Overall I don’t think LV has adequately shown that the left leg injury is related to the previous issue with the right hind leg. So I think LV should settle Mrs T’s claim and pay simple interest at the rate of 8% on the amount due in view of the delay in settling it. Mr and Mrs T are paying for M’s treatment in instalments

which started on 8 March 2023. So I think LV should pay interest on the payments they have made since that date.

I agree that the service Mrs T received from LV could have been better. Having the claim unfairly declined and having to pay the vet's bill would have been distressing and inconvenient. In addition, the lack of communication for several months and the delay in dealing with the claim would have caused further distress. I agree with our Investigator that the further sum of £150 is appropriate in the circumstances to compensate Mrs T for this.

My final decision

For the reasons set out above, I uphold this complaint and require Liverpool Victoria Insurance Company Limited to:

- settle Mrs T's claim in line with the remaining terms and conditions of the policy;
- pay simple interest at the rate of 8% on the instalments Mr and Mrs T have paid in respect of M's treatment which is the subject of the claim up to amount due in respect of the claim from the date of payment to the date of settlement; and
- pay Mrs T compensation of £150 in addition to the £30 already paid for the trouble and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 11 October 2023.

Elizabeth Grant
Ombudsman