

The complaint

Mr M complains that Covea Insurance Plc (Covea) unfairly declined a claim for his dog, under his pet insurance policy.

What happened

In January 2023 Mr M noticed lameness in his dog's right hind leg. The vet confirmed this was the result of cruciate disease. Treatment was then provided in January and February to treat the problem. Mr M made a claim to Covea under his policy, but it declined to cover the cost of the treatment.

Covea told Mr M that as his dog had received treatment for the same disease in its left hind leg in June 2021, this claim was excluded under his policy terms. It says cruciate ligament disease is classed as a pre-existing bilateral condition. Because of this it declined to pay the claim.

Mr M thought this was unfair and referred the matter to our service. Our investigator upheld his claim. He says the two incidents were around 18 months apart. There is no clear evidence that the first condition led to the second condition. Or that this was noted by the vet as likely to happen to the other leg in the future. Our investigator says there's no indication Mr M was aware of the condition prior to January 2023. So, he says that Covea should settle the claim. In addition to 8% simple interest for the delayed payment, if Mr M has paid for the treatment himself.

Covea disagreed with this outcome. It says the same operation has been performed on both hind legs. It's common for dogs to suffer with bilateral cruciate ligament rupture. It says this is where instability of the first injured leg leads to weakness in the other. Covea says Mr M's vet recorded in his dog's clinical notes that this is a commonly bilateral issue. It says this means the claim is excluded under its policy terms.

Our investigator didn't change his mind based on Covea's comments. So, it asked for an ombudsman to consider the matter.

It has been passed to me to decide.

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 M's complaint. Let me explain.

I've read Mr M's policy terms and conditions to understand the exclusion Covea has relied on here. The terms say:

"Pre-existing medical - Any condition, or complication directly resulting from or relating to that condition that has been identified or investigated by a vet or that has the same diagnosis, clinical signs or symptoms as a condition prior to the start of this insurance,

regardless of the areas affected in or on your pet's body."

In its decline letter Covea says that when referring to pre-existing conditions, any bilateral condition will be deemed a pre-existing condition and be excluded from cover. I can't see that 'bilateral' conditions are specifically mentioned in the policy terms. But the terms do confirm that 'pre-existing' includes any condition that relates or results from a condition that has already been identified prior to the inception of the policy. Covea says this applies to the conditions here.

I can see that Mr M's dog was treated for cruciate disease for its left hind leg in June 2021. The clinical records say

"Radiographs confirm that have [sic] cruciate ligament rupture...will need cruciate operation."

The records show the required surgery was performed in July 2021.

The clinical records include no mention of any issues with Mr M's dog's right hind leg. Nor do they mention the potential for future problems for the right hind leg due to the disease in the left.

The first reference to an issue with the right hind leg is in the clinical notes dated 27 January 2023. The notes say:

"RH lame for few weeks - worse upon rising after periods of rest. LH - had previous cruciate injury - july 2021... recommend GA and x-rays to assess cranial drawer and rule out other issues - suspect cruciate injury as so commonly bilateral problem."

And on 23 February 2023 the records say:

"Radiograph summary - moderate joint effusion in the right stifle with mild osteoarthritic changes - likely to be consistent with suspected cruciate disease."

I don't think there is any dispute that Mr M's dog required the same surgery for both its left and right hind legs. This was first identified in May 2021 for the left hind leg. But it wasn't until January 2023 that it was identified in the right hind leg. I've thought about whether this means it's fair for Covea to exclude the 2023 claim as a pre-existing condition. I don't think it was.

I say this because there was a period of approximately 19 months between identification of the disease in the two different legs. There is no clinical note in 2021 or in the notes leading up to the later diagnosis, that indicates a problem in the right hind leg. In September 2021 the records show Mr M's dog was recovering from its left hind leg operation. The treating vet advised exercise could be increased. There is no mention of any issue or potential issue to be aware of with the right-hand leg at this point either.

I acknowledge that Covea specifically highlights the clinical note from 27 January 2023. This states cruciate injury is suspected in the right hind leg at this time as it is, *"so commonly a bilateral problem"*. In these cases our approach is to consider all the circumstances, including the time elapsed between the presentation of the conditions. In addition to any clinical records linking the disease to potential future problems in a 'bilateral' body part.

In Mr M's dog's case, the issues were identified approximately 19 months apart. There's no reference in the clinical records, to a potential issue in the right hind leg when the first diagnosis was made. The same is true for the notes made subsequent to this. The clinical records from January 2023 refer to a bilateral condition. But I'm not persuaded that Covea

has shown the same cause resulted in the disease occurring in the right hind leg as in the left. I also don't think the evidence shows that Mr M was aware of this condition until January, which is when he took his dog to the vets.

In summary, I don't think Covea is reasonably able to rely on the policy exclusion it has in order to decline Mr M's claim. It should now settle his claim based on the remaining terms of the policy. It should include 8% simple interest on its settlement payment from the date Mr M paid for the treatment until this is reimbursed.

My final decision

My final decision is that I uphold this complaint. Covea Insurance Plc should:

- settle Mr M's claim in line with the remaining terms of his policy.
- if Mr M has paid the cost of the treatment Covea should add 8% simple interest from the date he paid until this payment is reimbursed.
*If Covea considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this 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 M to accept or reject my decision before 16 October 2023.

Mike Waldron
Ombudsman