

The complaint

Mrs T has complained that Alwyn Insurance Company Limited unfairly declined a claim on her pet insurance policy.

What happened

In April 2022 Mrs T took out a pet insurance policy with Alwyn to cover her dog. The policy renewed in April 2023.

In May 2023 Mrs T made a claim under the policy for the cost of an operation for a luxating patella on the dog's left hind leg. Alwyn declined the claim. It said the policy didn't cover pre-existing conditions and as the dog had been taken to the vet because of an injury to his left hind leg in March 2022 before the policy started, it was treating this as a pre-existing condition.

Mrs T brought a complaint to this service. Our Investigator recommended that the complaint be upheld. He thought Alwyn should pay the claim with interest.

As Alwyn 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.

Mrs T's policy says it doesn't cover pre-existing conditions unless "You have disclosed the condition(s) and We agree cover)".

The policy defines a pre-existing condition as:

"any condition, Illness, Injury or Bilateral Condition which occurred or first showed Clinical Signs or symptoms prior to the Policy start date, whether diagnosed or not or existing in any form even if the diagnosis changes. This includes if the condition, Illness, Injury or Bilateral Condition has the same diagnoses or is caused by, relates to or results from a condition, Illness or Injury which occurred prior to the policy start date."

Mrs T didn't disclose anything relating to her dog's left hind leg.

In this case Mrs T says she took her dog to the vet in March 2022 because she was concerned that he was lame and might have had a luxating patella on his left hind leg but the vet said the dog was fine. Mrs T's vet has confirmed that on the visit in March 2022 an examination found no signs of lameness. The vet also said the patella was in place and the examination of the stifle joint was "unremarkable". The dog was seen by the vet on several visits between March 2022 and May 2023 with there being no reference to any problems with lameness between these dates. It was over a year later before the dog presented with signs of patellar luxation.

This service has a long-standing approach when considering complaints regarding pre-existing conditions. We consider it fair and reasonable for a business to decline a claim on the basis of a pre-existing condition only where the consumer had reasonable knowledge of something that could at some point give rise to a claim. Where an insurer relies on an exclusion, the onus is on them to show it's reasonable to apply it.

I think Mrs T took out the policy in April 2022 in good faith and was not reasonably aware of an injury to her dog's left hind leg. The evidence from Mrs T's vet doesn't support a conclusion that the condition was present in March 2022. Given this, I am not persuaded it is fair and reasonable for Alwyn to rely on the pre-existing exclusion to decline the claim in this instance.

My final decision

For the reasons set out above, I uphold this complaint and require Alwyn Insurance Company Limited to settle Mrs T's claim in line with the remaining terms and conditions of the policy and any policy excess. Simple interest should be added to any settlement at the rate of 8% a year, less any tax if properly deductible, calculated from the date of the claim to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 30 October 2023.

Elizabeth Grant
Ombudsman