

The complaint

Mr F complains about Casualty & General Insurance Company (Europe) Ltd (CG) declining a claim and making deductions under his pet insurance policy for treatment of his dog.

References to CG include their agents who administer the policy.

What happened

Mr F took out a pet insurance policy with CG in December 2022, covering his dog. In January 2023 the dog became lame, so Mr F took it to a vet. The vet treated the dog and Mr F subsequently submitted a claim form with an invoice from the vet. The claim was for £876.10 and the supporting invoice from the vet included a fee of £800 for 'Investigation – Lameness' (with quantity recorded as '1.00'). While there were individual items beneath the 'Investigation – Lameness' line, with entries for quantity ranging from 0.38 to 12.00, they didn't include values (cost).

CG contacted the vet to ask for a cost breakdown of the lameness fee. The vet responded with more information about the fee, saying it was provided as a package of individual treatment elements. But CG didn't consider it provided them with the breakdown of cost they'd requested. CG said this meant they couldn't fairly assess the cost and so it was deducted from the claim. CG contacted the vet again in April 2023 to request a breakdown of cost but were provided with the same information sent previously. So, CG maintained their position they wouldn't cover the cost.

Mr F was unhappy about CG's decline of her claim, as he thought the vet had provided sufficient detail to support his claim. So, he complained to CG.

CG didn't uphold the complaint. In their final response they said when Mr F took out his policy, the terms and conditions provided made it clear each claim under the policy must be submitted with an original invoice. CG also said the claim form included a requirement (amongst other things) for an itemised invoice or receipt showing all treatment carried out. CG referred to the cost of £800 for 'Investigation – Lameness' and that the vet hadn't provided them with an itemised breakdown of the cost (despite requesting it twice).

However, CG said that on this occasion they'd reviewed the fee in line with the standard fees they allowed, without an itemised breakdown. Of the net amount claimed (£758 – being the £800 fee less £42 for a Blood Sample Fee [BSF]) they deducted £100 in respect of fluid therapy they said wasn't claimable under the policy (they referred to the policy terms stating costs in excess of £100 for fluid treatment for pets under eight years of age unless directly related to treatment that was lifesaving). That left a net payment of £658.

Mr F complained to this service before CG issued their final response, saying (at the time) CG had unreasonably declined his claim, as his vet had provided a breakdown of the cost of treatment. Package treatments were widely used in veterinary practice, and he shouldn't have to incur a loss through the way the vet had charged for the treatment. He'd lost out by the cost of treatment (£876.10), causing him financial difficulty, particularly given the time of year and the wider cost of living pressures. He was also concerned about the risk of not being able to claim for any future problems his dog might have with its legs, as this might not

be covered as an ongoing treatment (or if he changed insurer). He wanted CG to cover the cost of treatment (less the policy excess).

Our investigator upheld Mr F's complaint, concluding CG hadn't acted fairly. He didn't think it fair for CG to deduct £30 for BSF and £100 for FT and they hadn't shown how their market research had determined £12 was a reasonable cost for BSF and £100 for FT. He thought vet fees would vary and nor was it fair to deduct £14.52 for medications as CG hadn't shown the charge from the vet was unreasonable. CG's initial decline of the claim and then making deductions had caused distress to Mr F. To put things right, the investigator thought CG should cover the deductions they'd made and (if Mr F had paid the vet bill) pay interest on the amount. CG should also pay £150 to Mr F in compensation for trouble and upset.

CG disagreed with the investigator's conclusions, and requested an ombudsman review the complaint. They said they'd agreed to pay the previously deducted costs for BSF (£30) and the medications (£14.52). However, they said the vet hadn't provided a fully itemised breakdown of the cost of investigation of lameness. While the vet had confirmed part of this was the BSF (£42) this left £758 which wasn't itemised. The policy terms and conditions required fees to be covered by an invoice and the claim form confirmed the requirement for an itemised breakdown, so they wouldn't make any payment for the £758. On the FT cost, cover wasn't provided if it wasn't part of lifesaving treatment for pets under eight years of age. As Mr F's dog didn't require lifesaving treatment, they deducted the £100 FT cost.

In my findings, I concluded the policy wording didn't exclude any cover for FT for pets under eight years of age (as opposed to costs in excess of £100). I concluded CG hadn't acted in line with the specific policy wording. So, they hadn't acted fairly in deducting the £100.

To put things right, I thought CG should reimburse the £100 deduction for FT (in addition to the reimbursement of the other deductions they originally made, but had subsequently agreed to pay, or had paid) in line with the remaining terms and conditions of the policy, including any limits on the costs of treatment and any policy excess (as appropriate).

Given my conclusions and the circumstances of the case, I thought £150 compensation for distress and inconvenience would be fair and reasonable.

Because I reached conclusions for different reasons to those of our investigator, I issued a provisional conclusion to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My role here is to decide whether CG have acted fairly towards Mr F.

CG having decided to accept Mr F's claim (after having initially declined it because of what they said was a lack of detailed, cost breakdown of the lameness investigation fee) the key outstanding issue in Mr F's complaint is CG's deductions from the claim. Originally, this was for BSF (£30 – being the excess over CG's standard fee of £12) and for markups on medication over 100% (£14.52). And for FT (£100). Mr F says these have been deducted unfairly, leaving him out of pocket. CG say they fairly applied the deductions in line with policy terms and conditions.

But in response to questions I had about exactly what they have paid (or are willing to pay), CG have clarified that of the total invoice amount, they've paid (or agreed to pay) the following items:

- £658.00 in respect of the £800 'Investigation – Lameness' fee. Of the £800, CG deducted £42 in respect of BSF and £100 in respect of FT.
- £54 being a consultation fee.
- £22.10 for medication.
- £42 for BSF.

This comes to a total of £776.10 – meaning the only deduction from the invoice total of £876.10 is for BSF. This being the case, then the issue for me to decide is whether CG have fairly deducted £100 for BSF.

Before considering this specific issue, I've first considered CG's approach in reviewing the fee (£800 for 'investigation – lameness') in line with the standard fees they would allow without an itemised breakdown (of cost). As the vet hasn't provided a line-by-line breakdown of cost (against the figures for 'quantity') for the invoice (other than for BSF) I don't think it's unreasonable for CG to have adopted this approach in the circumstances of the case, given the absence of specific, line-by-line costs.

Turning to the specific deduction for FT (£100), I've first confirmed Mr F's dog was born in 2022, so is under eight years of age. And the treatment was for lameness, with no indication I've seen the condition was life threatening.

CG say the policy terms and conditions exclude cover for this treatment where not life threatening and the pet is under eight years of age. In their final response, they refer to the following extract from the policy terms and conditions:

“Section 1 – Veterinary Fees

What is not insured?

Any costs in excess of £100 and/or greater than 24 hours relating to intravenous infusion for pets younger than 8 unless directly related to treatment that was life-saving for your pet and your vet confirms this to us.”

However, reading this condition, it doesn't actually say that FT won't be covered if a pet is under eight years of age and the treatment isn't life threatening. It refers to any costs in excess of £100 (my emphasis) and/or greater than 24 hours...for pets younger than 8 unless directly related to treatment that was life-saving...and your vet confirms this to us. I think the qualifying phrase 'in excess of' [£100] is key to understanding what the wording means.

CG themselves also refer (in response to my questions) to “...This unitemised invoice confirmed fluid therapy had been provided; as we will only cover a maximum of £100 for this fee, we deducted £100 for this fee.” Which would be consistent with not covering costs in excess of £100. As FT treatment is included, applying the standard (maximum) figure of £100 would be reasonable. But as the invoice doesn't state an FT treatment cost, I can't see there's a basis for deducting £100, while saying we (CG) will only cover a maximum of £100. And given the policy wording set out above – which I don't think excludes any cover for FT for pets under eight years of age (as opposed to costs in excess of £100) I've concluded CG haven't acted in line with the specific policy wording. So, they haven't acted fairly in deducting the £100.

To put things right, CG should reimburse the £100 deduction for FT (in addition to the reimbursement of the other deductions they originally made, but have now agreed to pay, or have paid) in line with the remaining terms and conditions of the policy, including any limits on the costs of treatment and any policy excess (as appropriate).

On the assumption CG haven't yet paid all the items they've now agreed to pay (and the £100 I've concluded they should pay for the FT deduction) as out above (and Mr F has already paid the vet invoice) CG they should also pay interest at a rate of 8% simple on the amounts accepted and paid, from the date Mr F paid the vet's invoice, to the date they pay the various sums set out above.

Given these conclusions, I've considered the impact on Mr F of CG initially declining his claim (for the £800 lameness investigation fee) and initially making the deductions. I've thought about what Mr F has told us about the impact of what has happened. Given my conclusions and the circumstances of the case, I think £150 compensation for distress and inconvenience would be fair and reasonable.

My provisional decision

For the reasons set out above, my provisional decision is that I uphold Mr F's complaint. I intend to require Casualty & General Insurance Company (Europe) Ltd to:

- Reimburse the £100 deduction for FT (in addition to the reimbursement of the other deductions they originally made, but have now agreed to pay, or have paid).in line with the remaining terms and conditions of the policy, including any limits on the costs of treatment and any policy excess (as appropriate).*
- Pay Mr F £150 compensation for distress and inconvenience.*

On the assumption CG haven't yet paid all the items they've now agreed to pay (and the £100 I've concluded they should pay for the FT deduction) as out above (and Mr F has already paid the vet invoice) CG they should also pay interest at a rate of 8% simple on the amounts accepted and paid, from the date Mr F paid the vet's invoice, to the date they pay the various sums set out above.

If Casualty & General Insurance Company (Europe) Ltd consider they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr F how much they've taken off. They should also give Mr F a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Casualty & General Insurance Company (Europe) Ltd must pay the compensation within 28 days of the date on which we tell them Mr F accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Mr F responded to accept the provisional decision. CG didn't respond by the deadline requested for responses.

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.

My role here is to decide whether CG have acted fairly towards Mr F.

As Mr F responded to accept the provisional decision, and CG didn't respond by the deadline requested for responses, then my final decision remains the same as my provisional decision.

My final decision

For the reasons set out above, my final decision is that I uphold Mr F's complaint. I require Casualty & General Insurance Company (Europe) Ltd to:

- Reimburse the £100 deduction for FT (in addition to the reimbursement of the other deductions they originally made, but have now agreed to pay, or have paid).in line with the remaining terms and conditions of the policy, including any limits on the costs of treatment and any policy excess (as appropriate).
- Pay Mr F £150 compensation for distress and inconvenience.

On the assumption Casualty & General Insurance Company (Europe) Ltd haven't yet paid all the items they've now agreed to pay (and the £100 I've concluded they should pay for the FT deduction) as out above (and Mr F has already paid the vet invoice) Casualty & General Insurance Company (Europe) Ltd they should also pay interest at a rate of 8% simple on the amounts accepted and paid, from the date Mr F paid the vet's invoice, to the date they pay the various sums set out above.

If Casualty & General Insurance Company (Europe) Ltd consider they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr F how much they've taken off. They should also give Mr F a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Casualty & General Insurance Company (Europe) Ltd must pay the compensation within 28 days of the date on which we tell them Mr F accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 November 2023.

Paul King
Ombudsman