

The complaint

Ms S complained that Great Lakes Insurance SE (“Great Lakes”) unfairly declined her claim for treatment to her cat due to existence of a pre-existing condition.

What happened

Ms S said her cat was clinically healthy when she acquired her cat. Ms S her cat was playing with a “catnip” toy and ate some of it. After the cat had been vomiting for a few days, Ms S took the cat to her vet to ensure nothing was wrong. Following investigations, the vet wasn’t sure on the diagnosis, but suggested possible causes as irritable bowel disease (IBD) or lymphoma – this was followed up with treatment.

Recognising the financial risk of owning a pet, Ms S then chose to take out a pet insurance policy with Great Lakes in June 2022 to protect herself in the future if her pet became ill.

Around three months later, Ms S’ cat had a regular check-up with the vet which didn’t throw up anything abnormal. Then a further four months passed as Ms S was concerned her cat wasn’t eating properly. Over the next few weeks further investigations were carried out and Ms S’ cat was diagnosed with severe anaemia and elevated kidney levels. There was also a suspected heart murmur identified. Unfortunately, in April 2023, Ms S’ cat passed away from acute kidney failure.

Ms S submitted a claim for all the costs she incurred from her vet. All costs were declined by Great Lakes, as it said the treatments were excluded from the policy as the costs incurred related to a pre-existing condition before the policy was taken out. I’m pleased to see since our investigator’s involvement that some costs have since been paid by Great Lakes for investigations and treatment relating to the heart issue.

However, Ms S is unhappy her other claims have been declined. She’s unhappy how her claim has been handled – she is financially impacted, and the events have taken a significant toll on her own welfare.

Our investigator decided not to uphold the complaint. He thought it was likely the second set of investigative tests and examinations were linked to those carried out pre-policy, so thought Great Lakes had been fair to say the illness was linked to a pre-existing condition. Ms S disagreed, so the complaint has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 12 October 2023. I said:

“I’ve checked the policy. It states that the insurer won’t pay for costs relating to pre-existing conditions. The policy defines a “pre-existing condition” as “anything your pet has had treatment, medication or advice for in the last 24 months. We consider advice to include anything a vet observed and recorded in your pet’s clinical history”.

I think the policy is clear that costs related to pre-existing conditions aren't covered by the policy, so I think if Great Lakes has proven it's more likely the costs were related, then I'd say it has been fair to decline the claim. However, I don't think they have, so I intend to uphold this complaint and I'll explain why.

It's Great Lakes responsibility to show an exclusion in the policy applies and I don't think the evidence shows a link to the pre-existing condition is more likely than not. I've read the vet's notes from the visit pre-policy and I think it's clear the vet isn't entirely sure what the cause of the illness is – he offered two possible diagnoses, neither of which was proved.

Then, Ms S had a check up three months later and nothing too concerning was identified. So, it was about seven months later before Ms S was worried enough to take her cat to the vet again. I think this is a long time to say the two conditions was linked. The first visit was also triggered after the cat had played with a toy and had potentially digested part of it. So, this further brings into doubt a link in my mind.

I can see Great Lakes initially declined all costs even though its technical referral form suggests some of these might've been acceptable. This has further been evidenced by Great Lakes changing its mind on part of the costs relating to the heart issue. The team leader recommended "technical referral as no definitive diagnosis pre or post inception and a complicated claim with several conditions which are likely related". The technical claim manager concluded "from looking at the medical history and the treatment dates listed above, it looks to be continuous investigations into finding a diagnosis. There is also similar symptoms throughout the same time-period. Along with no confirmed diagnosis at any point, we feel this is seen as pre-existing".

I don't find Great Lakes assessment persuasive. Both the team manager and the technical claim manager are consistent in saying no diagnosis was given. The technical manager appears to be providing a hunch by saying he "feels" this is pre-existing, rather than an evidence-based assessment that proves the link in conditions is more likely. Therefore, based on the evidence, I intend to uphold this complaint. I intend Great Lakes to reconsider the claim(s) in line with the remaining terms and conditions.

Any further settlement that is paid, I intend Great Lakes to add 8% interest per annum (simple) from the date of the claim(s) to the date any settlement is paid as Ms S will have been without this money. I think Great Lakes could've handled this claim better. It didn't refund the costs for the heart issues first time and I think it likely there are other costs that should've been paid when the claims are re-considered. I think this is likely to have impacted Ms S' wellbeing as well as having a financial impact. Therefore, I intend to award £300 compensation for distress and inconvenience".

Responses to my provisional decision

Ms S accepted my provisional decision and didn't have anything else to add.

Great Lakes didn't respond to my provisional decision.

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.

Given neither party has provided any new information, I see no reason to change my provisional decision.

My final decision

My final decision is I uphold this complaint, I require Great Lakes Insurance SE to:

- Re-consider the claims in line with the remaining terms and conditions
- Add 8% interest per annum (simple) from the date of the claim(s) to the date any settlement is paid
- Pay Ms S £300 compensation – for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 6 December 2023.

Pete Averill
Ombudsman