

The complaint

Mr and Mrs T have complained about the refusal of a claim made under their pet insurance policy with Red Sands Insurance Company (Europe) Limited.

What happened

Mr and Mrs T have a pet insurance policy with Red Sands for their dog. Their policy covers treatment costs of up to £4,000 for 365 days (12 months) from the date that the pet first showed signs or symptoms of the condition claimed for. In May 2023, Mr and Mrs T registered a claim for the cost of treatment of an eye condition which affects the eyelid (entropion). The dog needed an operation to lift the eyelids.

Red Sands considered the claim but said that the vet's notes show that the dog first showed symptoms of the condition in early September 2021, which is more than 365 days before the treatment claimed for. Red Sands therefore says the last day of cover for the eye condition would have been in early September 2022 and refused Mr and Mrs T's claim.

Mr and Mrs T are very unhappy with this. They say they saw the vet in September 2021, as the dog had a cyst on its eyelid. At that appointment the vet said the dog's eyelid was very slightly turned in and advised them to get it checked, as the breed are prone to entropion. When this was checked around a week later, they were told that as the dog was still a puppy, she might grow out of it. They were advised to monitor it but it was not a concern at that time. It was only two years later, and once the dog was fully grown, that it started to cause a problem and treatment was necessary. Mr and Mrs T say they have held the insurance throughout this period and it is unfair to refuse the claim on this basis, when no treatment was required before.

One of our Investigators looked into the matter. She acknowledged the policy terms but said it would not be fair or reasonable in the circumstances to apply the policy terms in such a strict manner, when Mr and Mrs T could not have made a claim in the 12 months since the condition was first noticed, as no treatment was required then. The Investigator therefore recommended that the complaint be upheld and that Red Sands amend the start date of the 12 month time limit for this condition to when Mr and Mrs T could first make a claim and to reconsider the claim against the remaining policy terms. The Investigator also recommended that if the claim is considered valid under the policy, Red Sands also pay interest on any settlement amount to be reimbursed to Mr and Mrs T.

Red Sands does not accept the Investigator's assessment. It says the policy terms are clear that the condition is only covered for a 365 period from the first signs or symptoms of the condition and, as Mr and Mrs T's dog had symptoms of entropion more than 12 months before they made their claim, it was correctly refused.

As the Investigator was unable to resolve the complaint, it has been passed 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.

Mr and Mrs T's policy with Red Sands says:

"A Time Limited policy offers cover from accidents, illnesses and conditions. Time Limited policies mean that your pet will be covered for 365 days after the condition is first noted by yourself or your vet. This could mean when symptoms first arose or when an accident happened. Once these 365 days have elapsed this illness, injury or condition will no longer be covered, and exclusions regarding that illness or injury will then be applied to your policy."

It is clear the policy is not intended to cover long-term ongoing illnesses and it also excludes pre-existing conditions. This is not unreasonable. I also acknowledge that the term above does not say that the 365 day period starts with the first day of treatment for a condition but from the date that the condition first manifested itself.

It is not in dispute that the dog showed symptoms of entropion in September 2021. While she was seen because of a sty, the vet's notes say: *"Left eye slightly sore... Examination – mild sdeidtis / conjunctivitis... Looks like entropion but ? due to "stye" on eyelid."*

The notes of the examination that took place around a week later say: *"Right eye borderline entropion of the lower lid, but not causing any irritation. May grow into the lid adequately. L eye more comfortable, but still marginal ... entropion ... Still pup head shape - will broaden over next 2-3 mths so monitor for any rec of skin Irritation. In which case surgery Indicated, otherwise re ch 2-3m to reassess lid positions."*

I have to consider what is fair and reasonable in all the circumstances of the complaint. While the policy term relied on by Red Sands is clearly written and is not unreasonable in itself, I do not consider it is fair or reasonable to apply it in circumstances such as happened here, where no treatment was advised by the vet. The symptoms of entropion were noted in September 2021 but the vet notes state the dog might grow out of it and Mr and Mrs T were advised to monitor the situation.

It seems to me likely that the cost of surgery would have been covered if Mr and Mrs T had reported a claim in September 2021. The surgery could likely have been done then but a reasonable decision was made to monitor the situation in case it resolved itself and it was not at that time causing the dog any difficulty. There was no treatment recommended at that time, so Mr and Mrs T abided by the vet's advice and monitored the position. I do not think that it is fair that a policyholder lose cover in this way because the clinical advice was to let the dog continue to grow in case the issue resolved itself.

I also note that the policy says that while pre-existing conditions are excluded from cover *"We can start covering some conditions again if they haven't needed or been recommended to have treatment from you or the vet in the last 24 months."*

It would seem unfair that a condition for which a pet might have already been suffering and had treatment for, potentially before the policy started, might be covered if there's been no treatment for it for two years, but a condition that starts in the policy cover and for which no treatment has been given is excluded.

Having considered everything, I consider that most policyholders would have a reasonable expectation that a claim in Mr and Mrs T's circumstances would be covered. I therefore agree with the Investigator that Red Sands should reconsider the claim, based on the 365 day time limit starting from the date of the vet consultation in May 2023.

I assume Mr and Mrs T have already paid the vet's fees. If they have then interest should be added to the settlement reimbursing any part of those fees, from the date Mr and Mrs T paid them to the date Red Sands reimburses them.

I also consider that the unreasonable refusal of the claim will have caused some distress and inconvenience to Mr and Mrs T and consider that £50 compensation should be paid to reflect this.

My final decision

I uphold this complaint and require Red Sands Insurance Company (Europe) Limited to do the following:

1. Reconsider Mr and Mrs T's claim on the basis that the 365 day time limit starts from the date of the vet consultation about the entoprion in May 2023 and in accordance with the remaining policy terms.
2. If, having reconsidered the claim, this results in reimbursement of any vet's fees Mr and Mrs T have already paid, Red Sands should add interest at 8% simple per annum with effect from the date Mr and Mrs T paid the vet's fees, to the date of reimbursement. Interest does not need to be added to any part of the fees that Mr and Mrs T have not yet paid.
3. Pay Mr and Mrs T £50 compensation for the distress and inconvenience caused by its unreasonable refusal of the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 8 February 2024.

Harriet McCarthy
Ombudsman