

The complaint

Ms W's complaint is about three claims she made on her HDI Global Specialty SE ('HDI') pet insurance policy, which were declined.

Ms K says HDI were wrong to decline her claims and void two of her policies. She wants HDI to pay her claims and reinstate her insurances.

Ms K's complaint is brought by a representative on her behalf, but for ease of reference I shall refer to all submissions as being her own in this decision.

What happened

Ms W made three claims against her HDI pet insurance policy for treatment to her dog after it was attacked by other dogs at an agility show.

Ms W had several phone calls with HDI in which she was given the impression her claims would be covered. Eventually HDI declined the claims on the basis that her dog had been competing in agility and other shows and they thought a policy exclusion applied here. They also voided Ms W's policy for the current policy year and the year before.

The exclusion HDI relied on was a general exclusion applicable to all policy sections. It excludes cover for the pet being used for commercial breeding purposes, guarding track racing, coursing or used in connection with any business, trade, profession, or occupation.

Ms W said the exclusion didn't apply to her dog. She said her dog didn't compete for commercial gain and the best she could expect to receive in any competition was a rosette or a trophy. As such the competitions she entered were nothing more than hobbies.

HDI remained of the view that the policy exclusion applied here, but they recognised they should have told Ms W they weren't going to cover her claims much sooner than they did. So, they offered her £200 in respect of the delays they caused in communicating this.

Unhappy, Ms W referred her complaint to the Financial Ombudsman Service. Our investigator initially considered Ms W's complaint and didn't uphold it. Ms W provided some further submissions in response to this, following which the investigator upheld her complaint and said that HDI should reinstate her policies and pay her claims under the remaining terms.

HDI don't agree, so the matter has been passed to me to determine.

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 uphold Ms W's complaint against HDI. This is why.

The starting point is the policy terms. They say:

“General exclusions applicable to all policy sections

17. Your pet being used for commercial breeding purposes, guarding, track racing, coursing, or used in connection with any business, trade, profession, or occupation.”

HDI have said this exclusion applies to competing dogs taking part in agility shows professionally. They also say that there is an element of reward in these competitions in the form of a prize which acts as an incentive, so any claims made by Ms W wouldn't be covered.

I've thought about what they've said and Ms W's submissions and I'm not satisfied that the competitions her dog enters amounts to it being used for commercial purposes or in connection with any business, trade, profession or occupation. Ms W has said there is no financial gain and I'm not persuaded that the incentive of winning a rosette or trophy sufficiently establishes that the dog is being used for or in connection with any of the exclusions quoted. In the absence of any discernible financial gain, sufficient to establish it as a commercial venture, I can't reasonably say that competing in a dog show regularly means this exclusion applies. So, I don't think HDI were entitled to turn down Ms W's claims on this basis.

I've set out what I think HDI should do to put things right below, including reinstating Ms W's policies, because my finding leads me to conclude that HDI weren't entitled to void them at all.

HDI have acknowledged that they took too long to communicate their decision to Ms W and that they could have done so much sooner- and certainly on some of the occasions where Ms W made calls to HDI about her dog's treatment. They have offered her £200 to compensate her for this. I think that's fair in the circumstances given the frustration and inconvenience this would have caused her. As I understand it HDI have been unable to pay this to Ms W and are awaiting payment details from her. Once she supplies these, HDI can make this payment to her.

Putting things right

HDI should:

- Reinstatement the two policies they voided.
- Pay Ms W's three claims subject to the remaining policy terms.
- Pay Ms W interest of 8% per year simple on any payments she's had to make to her vet in respect of the claims made, from the date she made those payments until she is reimbursed by HDI. Ms W will need to supply HDI with evidence of when she made payments to her vet in order for HDI to work out what is payable to her in respect of interest.

My final decision

For the reasons set out above, I uphold Ms W's complaint against HDI Global Specialty SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 16 February 2024.

Lale Hussein-Venn
Ombudsman