

The complaint

Mr and Mrs M have complained that Red Sands Insurance Company (Europe) Limited unfairly refused to pay a claim under Mr M's pet insurance policy.

What happened

Mr M took out a pet insurance policy with Red Sands for his dog whom I'll refer to as J. The policy started on 30 April 2022 and ended on 29 April 2023.

In March 2023 their vet noticed a lump on J's head and said it might need investigating.

On 4 April 2023 Mr and Mrs M told Red Sands they didn't want to renew the policy. So it came to an end on 29 April.

In July 2023 J had surgery to remove the lump. Mr M made a claim to Red Sands as the lump had been discovered during the period he was covered by Red Sands. It refused to pay the claim. It said the cost of treatment between March and 29 April 2023 was less than the policy excess of £99. It said treatment after 29 April wasn't covered as the policy had ended.

Mr and Mrs M referred their complaint to this service. Our Investigator didn't recommend it be upheld. She thought that under the terms of the policy Red Sands didn't have to consider claims for treatment that took place after the policy had ended as Mr M hadn't paid for any cover from that date.

As Mr and Mrs M disagreed, 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.

Mr M's policy was a contract between him and Red Sands. The basis of the agreement was that he would pay the premiums and in return Red Sands would provide cover for treatment within the terms of the policy. Once the policy comes to an end, his cover stops.

The policy says that it lasts for one year and the premium has to be paid to maintain cover. It was up to Mr M whether he chose to renew the policy. As he chose not to, he no longer had any cover from Red Sands after 29 April 2023, so he wasn't entitled to make a claim for any treatment J received after that point. It wouldn't be fair to require Red Sands to pay for treatment given to J when Mr M no longer had cover or was paying any premiums.

Mr and Mrs M feel that Red Sands should cover the whole cost of the treatment for the lump because J had the lump while cover was in place. They've likened the pet insurance policy to other types of insurance such as buildings insurance. But pet insurance works differently from buildings insurance which protects against certain defined risks such as subsidence

etc. A pet insurance policy covers the cost of treatment rather than the underlying cause i.e. the illness or condition. As the cover is for the cost of treatment, the date of the treatment is relevant and not the date when the condition giving rise to the need for treatment was first noticed. Accordingly, the fact that the lump was first noticed while the insurance policy was still in force doesn't change that there is no cover if the policy has come to an end.

As the cost of the initial consultation regarding the lump while the policy was in force was less than the £99 policy excess, I agree that Red Sands is not liable to pay for that.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 13 March 2024.

Elizabeth Grant
Ombudsman