

## The complaint

Mrs S and Mr S have complained that HDI Global Specialty SE unfairly declined a claim on Mr S's pet insurance policy. For convenience in this decision I shall just refer to Mr S as he is the policyholder.

## What happened

On 3 March 2023 Mr S took out a pet insurance policy with HDI for his dog. The policy doesn't cover pre-existing conditions or illnesses where the signs or symptoms are noticed within the first 14 days of the policy (the waiting period).

Mr S says the dog was frightened by a fox and fell off a grass bank after which she began to limp. He said they took their dog to the vet on 14 March as she was limping and they were unsure whether she had injured herself. The vet took some x-rays and found that she had mild arthritis. Mr S made a claim to HDI for the cost of treatment being £1,018.48.

HDI declined the claim on the basis that the symptoms had been noticed within 14 days of the start of the policy.

Mr S asked for the claim to be reviewed. HDI said it wasn't an accident as there was no trauma or soft tissue injury.

As HDI didn't change its decision, Mr S brought a complaint to the Financial Ombudsman Service. I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

*"Mr S's policy in common with most other policies has various limitations on cover. In particular Mr S's policy states that it doesn't cover "any **illness** arising prior to or within the first 14 days of the inception date of the insurance or a pre-existing condition."*

*This is a common exclusion in pet insurance policies and I don't think it's unreasonable. That means Mr S wouldn't be covered for an illness that occurred or showed symptoms before 17 March 2023. But this service takes the view that if an insurer wants to rely on this to refuse a claim, we also need to consider the consumer's knowledge and whether they knew something was wrong with their pet when they took out the policy. It wouldn't be fair to refuse a claim if the consumer couldn't reasonably have known there was a problem. This question is key. There doesn't have to be a diagnosis for something to be considered as pre-existing. What's required is for the pet to be showing signs of illness or injury.*

*So I've looked at the vet's clinical notes which start in February 2019. There is no mention of lameness, limping or arthritis until 14 March 2023 when the dog was taken to the vet after chasing or being chased by a fox the night before. In September 2021 at an annual check-up the vet noted "joints good normal" and in September 2022 "joints OK". There is nothing to indicate that Mr S would have been aware that his dog had mild arthritis before 14 March 2023. After taking x-rays on that date, Mr S's vet diagnosed "acute exacerbation of mild arthritis right stifle." That suggests that the dog's arthritis might well not have been noticeable previously until the fall suddenly made it worse. So, I don't think Mr S had any reason to*

*think the dog had arthritis when he bought the policy. It follows that I don't think HDI treated him fairly in relying on this exclusion to decline the claim.*

*I think HDI should settle the claim with interest."*

Both parties accepted my provisional decision. HDI pointed out that it should only be required to add interest to the settlement if Mr S has paid the vet's bill for the treatment which is the subject of the claim.

### **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.

As both parties have accepted my provisional findings, I see no reason to change them and they now form part of this final decision.

If Mr S wishes to claim interest on the settlement, he should provide HDI with evidence of the date on which he paid the vet's bill.

### **My final decision**

For the reasons set out above, I uphold this complaint and require HDI Global Specialty SE to settle the claim subject to the remaining terms of the policy. It should also add simple interest\* at 8 per cent from the date Mr S paid for the treatment (if he has done so) to the date of settlement subject to Mr S providing reasonably satisfactory evidence of the date on which he paid the vet's bill.

\*HM Revenue & Customs requires HDI Global Specialty SE to deduct tax from this interest. HDI Global Specialty SE should give Mr S a certificate showing how much tax it's taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 19 March 2024.

Elizabeth Grant  
**Ombudsman**