

The complaint

Mrs W has complained about the refusal of a claim made under a pet insurance policy with Covea Insurance plc.

What happened

Mrs W took out the policy in July 2022. In March 2023, she made a claim for the cost of treatment for rupture of her dog's left cruciate ligament (£3,376.90).

Covea refused the claim, as it said the dog had treatment for rupture of the right cruciate ligament in August 2020 and had experienced left hind lameness in the past, so the claim was for a pre-existing condition which is excluded under the policy. Covea says the definition of pre-existing conditions in the policy includes where the same condition has happened in a different part of the body.

Mrs W is very unhappy with this. She says her dog had a right cruciate ligament rupture in 2020, which was treated. There was no problem with the left cruciate ligament then and she would never have left her dog to suffer with a problem for almost three years. Mrs W also says that she felt she had to renew the policy with Covea again in July 2023, even though it had increased her premium, as she is worried about changing insurer, in case another insurer took the same view in the future. She wants the claim paid and the premium reduced.

One of our investigators looked into the matter. She concluded that Covea had unfairly applied the pre-existing condition exclusion to decline the claim. She recommended it pay the vet costs subject to the policy limit, plus interest if Mrs W had already paid the vet costs. The Investigator also recommended that Covea pay Mrs W £100 compensation.

The issue about the premium was not raised with Covea before but it provided details of its pricing and the Investigator told Mrs W she thought it had set her renewal premium fairly.

Covea does not accept the Investigator's assessment, so 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.

Having done so, I have decided to uphold the complaint about the refusal of the claim, as I think Covea unreasonably declined the claim. I'll explain why.

Claim

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably.

Mrs W's policy excludes:

"Costs resulting from a pre-existing condition".

The policy defines pre-existing conditions as:

"Any condition, or complication directly resulting from or relating to that condition that has been identified or investigated by a vet or that has the same diagnosis, clinical signs or symptoms as a condition known to you prior to the start of this insurance, regardless of the areas affected in or on your pet's body".

It is not in dispute that Mrs W's dog had a right cruciate ligament rupture in August 2020, which was before the policy with Covea started.

Covea says there is an entry in the vet's notes from April 2019 which says the dog was suffering from left hind lameness and in August 2020 suffered cruciate ligament rupture in the right hind. Covea says the dog therefore suffered from the clinical sign of lameness on his left hind and was diagnosed with right hind cruciate ligament rupture before the start of the policy, so it was the same diagnosis albeit in a different part of the body, and this meets the policy definition of a pre-existing condition, so it is entitled to refuse the claim.

I have looked at the vet's notes. It shows an attendance in April 2019 when the vet noted that following a walk the day before the dog had a lame left hind leg but no swelling or effusion found and no pain was elicitable. There's another entry on 13 April 2019 that says the left lameness had got a bit better but after another walk was the same again. The vet advised rest and lead walks and if it was no better in two weeks the dog would need to be x-rayed.

I also note that the vet has said the pain in the left hind leg was to the left hock, not the stifle joint (which is where the cruciate ligament is). I do not therefore think that this can reasonably be considered an early symptom that led to the later cruciate ligament rupture.

There was no further attendance for lameness, as far as I can see, until August 2020 when Mrs W took her dog to the vet as she said it was limping on the right hind leg. After a few weeks of little improvement, the vet did x-rays on both sides. The vet records that nothing abnormal was seen on the left side – no instability of the joint and nothing abnormal in the left stifle - but noted the right cruciate ligament had ruptured. Mrs W's dog had treatment for the right cruciate ligament in 2020.

It was not until December 2022 that Mrs W reported lameness in the left hind leg again and in March 2023, the dog was diagnosed with left cruciate ligament rupture.

We generally say, unless there's evidence that the claimed for condition is causally linked to the pre-existing condition, it's not reasonable for an insurer to decline the claim on the basis of the claimed for condition being pre-existing.

As stated above, I do not consider it has been established that the left hind cruciate ligament rupture in 2022 was linked to the left hind leg lameness reported in 2019, which resolved itself after some rest. And I note the vet also says the left hind leg was x-rayed in September 2020 as part of the investigation and nothing abnormal was noted.

I have also taken note of the vet's opinion that the cruciate ligament ruptures are not linked. Cruciate ligament rupture can be the result of an accident or trauma and while it is the same injury, there is not enough evidence to show the left hind rupture in 2022 was linked to the

rupture in the right hind in 2020 in this dog. So I'm satisfied that Covea cannot reasonably use the pre-existing condition exclusion to decline the claim.

Premiums

Mrs W is also unhappy with the renewal premium charged and says she felt compelled to stay with Covea, so had no choice but to pay it.

It is generally up to insurers to decide what cover they wish to provide and the premium that they want to charge for that cover, based on the risks that it thinks a customer presents. We are not able to require insurers to set premiums at any particular level and have no power to require them to reduce their prices.

Similarly, individual consumers have a choice about which policy and which insurer they wish to take insurance with, or not take insurance at all – unless it's a requirement, legal or otherwise.

Normally insurers calculate a base premium rate for a policy that applies to all consumers and then other factors they consider relevant to the risk being covered are applied, which might bring that base premium up or down. Different insurers apply different factors but they might include an individual's claims history, the breed of dog and the cost of vet fees, among other things. The details of the way an insurer determines its premiums is commercially sensitive. I can't therefore set in detail the way that Covea sets its premiums or the factors that it considers relevant and apply to its premiums. I have, however, considered the information it has provided. I cannot see that anything has been unfairly priced and I think it has applied its underwriting criteria consistently to Mrs W.

As stated above, I have no power to make an insurer reduce its charges or to negotiate a premium on behalf of a consumer. I can only determine if Mrs W has been treated fairly compared with other customers and I am satisfied she has been. I do not therefore make any award in respect of the premium issue.

My final decision

I uphold this complaint and require Covea Insurance plc to meet Mrs W's claim, subject to the remaining terms of the policy, together with interest at 8% simple per annum on the settlement from the date Mrs W paid the vet's fees to the date of reimbursement.

Covea Insurance Plc should also pay Mrs W £100 compensation for the distress and inconvenience caused by its handling of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 15 April 2024.

Harriet McCarthy
Ombudsman