

## **The complaint**

Ms S complains that The National Farmers' Union Mutual Insurance Society Limited (NFU) were unfair in their decision to reject her insurance claim.

## **What happened**

Ms S had insurance through NFU which provided cover for her horse. Unfortunately, Ms S's horse fell ill and the decision to euthanise was made between her and the treating vet.

NFU said the insurance claim had to be declined, because British Equine Veterinary Association (BEVA) guidelines had not been followed. And because that is a policy condition no payment was due to Ms S.

An investigator here looked into the matter. They agreed that strictly speaking the BEVA guidelines weren't followed, but they felt that was inconsequential in this particular case, as while there were other options of treatment available it's been said the horse wasn't in a fit state to survive the journey to hospital. Euthanasia was a way of preventing further suffering.

The investigator recommended NFU accept the claim, including interest, and make a payment of £250 compensation for distress caused to Ms S by their actions, but they didn't agree. Briefly, they said the guidelines aren't there to prevent euthanasia – for example, on the grounds of losses which may be related to the keeping of a sick or lame horse – but that they provide a benchmark for vets and the insurance industry of when mortality claims will be paid.

Agreement couldn't be reached, so the case has been passed to me to decide.

## **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.

I agree with the investigator that the claim ought to be dealt with, for largely the same reasons already given.

We have previously explained to NFU that the guidelines are only guidelines and so there may be times when a strict application of those and of policy terms can lead to unfairness – and insurers should be alive to such unfairness.

The investigator said the vet's primary responsibility is the welfare of the horse. Ms S says she was told the journey to hospital would cause further suffering and would likely be futile in terms of reaching a positive outcome. Ms S says the vet told her it may be preferable to euthanise the horse there and then rather than allow further suffering and she reluctantly agreed to that course of action. The guidelines allow for this to happen in certain circumstances, such as where the horse has no likelihood of survival.

I do appreciate that the guidelines have certain steps within them which are supposed to be followed, and insurers may require claim validation in advance of euthanasia. But I don't

think that's necessarily relevant here and I don't believe the outcome was likely to have been any different if those steps had all been followed.

So, for an insurer to rely on what may simply be a technical breach of the guidelines (which I stress again, are just guidelines) or of the policy terms, is not fair nor reasonable. I appreciate NFU is saying they're relying on the expert veterinary information in their claim decision, but it isn't solely about that and the information from the vet hasn't really been explored or tested to ensure the claim outcome is fair. For example, NFU had the opportunity to properly explore Ms S's testimony – but chose not to do so in any great detail.

Ms S has made a persuasive argument as to how the circumstances played out and on what advice she received at the time. I haven't seen anything to make me doubt what she's said. I don't think she'd have agreed to euthanasia if prospects of survival were likely, especially as she could've claimed for medical costs and keep a beloved horse.

It is also worth noting that the guidelines allow for euthanasia in the event that treatment costs outweigh the costs associated with euthanasia. In effect, this is a way of insurers limiting their liability. NFU has provided no evidence to suggest that euthanasia was more expensive than treatment – despite being prompted to do so.

NFU can consult with experts on such matters and in fact, NFU have agreed that the cost of treatment could have exceeded the cost of a euthanasia claim. I appreciate this is likely best to be considered prior to euthanasia taking place but it wouldn't ordinarily be something that a distressed consumer would be thinking about in the moment – especially as I don't believe it to be highlighted as a condition in the policy documentation.

I consider the recommendations made by the investigator to have been fair and reasonable in all the circumstances. I don't think this is a typical case and our decisions don't deliver precedent, because each case is decided on its unique circumstances. I've also borne in mind the FCA Consumer Duty, although I don't think that's a key consideration in how this case has been decided – in as much as I would have upheld it even before those rule came in.

There will be times, such as this, where consumers have to make incredibly important decisions in the moment. So, if it is pivotal to the outcome of a claim that they make this decision with the insurance company's input then I think it's fair to say it's really important for that to be highlighted to them.

If they've a horse that's suffering and a vet telling them they may not survive the journey to hospital I don't think calling their insurance company for advice is going to be at the forefront of their mind – particularly if such a condition hasn't been *highlighted* to them, as it should.

NFU ought to be aware that waiting until claim stage may well be too late, because claims usually only arise *after* the loss. If the expectation is for consumers to seek guidance from a claims team *before* such a potential claim arises then that should be abundantly clear in my view.

I very much doubt many consumers will review their policy documents in the moments before deciding whether or not to euthanise their horse. However, had it been highlighted to them that it was a key condition in relation to the claim outcome then they might well have remembered it. Although in this case, even if they had, based on what I've seen, it's likely the short term outcome would have been the same – and possibly with further costs being incurred.

Overall, and for the reasons explained, I think it was unfair for NFU to have rejected this

claim. I consider their claim investigation to have been lacking in spite of evidence and arguments provided by Ms S and by our service – as has been explained above. This, to me, is a genuine situation where Ms S was in a very difficult position and there is every chance the claim would've been accepted even if the guidelines had been followed to the letter.

And even though they weren't followed, NFU have had several opportunities to explore things further – and though they did to some extent, only a cursory attempt seems to have been made. So, the fair outcome in this particular case is for them to settle the claim in line with remaining policy terms, i.e. without reference to the BEVA guidelines not being followed.

Interest at 8% per annum should be added to any settlement payable, this should be calculated from one month after the loss until the settlement is issued. NFU should also pay Ms S £250 compensation for the distress caused by their unfair treatment of her.

### **My final decision**

It is my final decision that I uphold this complaint, I require The National Farmers' Union Mutual Insurance Society Limited to resolve the matter as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 26 August 2024.

Will Weston  
**Ombudsman**