

The complaint

Mr K complains about Casualty & General Insurance Company (Europe) Ltd (CGIC) declining a claim under his pet insurance policy for treatment of his dog.

References to CGIC include their agents who administer the policy.

What happened

Mr K had a pet insurance policy with CGIC covering his dog, taken out in February 2022. In February 2024 a lump was found on the dog's leg, causing it to limp occasionally. Mr K took the dog to a vet (B) who carried out tests. The lump was in a soft tissue area and the dog was referred to a specialist small animal teaching hospital (UL) for further investigation. The lump was diagnosed as a low grade sarcoma¹ and removed by surgery, costing £1,364.37.

Mr K made a claim for the treatment (including that from B) to CGIC along with the dog's clinical history. However, CGIC declined the claim on the grounds the policy didn't cover a claim where there was an associated condition/mass present prior to the inception of the policy. They said the clinical history indicated treatment in September 2021 and the dog had a mass present prior to the policy inception, which they couldn't dissociate from the condition on the claim. They referred to policy sections on pre-existing and associated conditions.

Mr K challenged the decline as he didn't think the dog had a pre-existing condition and the condition previously treated was unrelated to the soft tissue sarcoma diagnosis. His vet supported this view, saying the 2021 lumps affected the right stifle and left thorax and likely to be histiocytomas².

CGIC treated the challenge as a complaint, but they didn't uphold it, saying their decision to decline the claim was correct. They said the policy didn't cover any condition that was pre-existing or had shown clinical signs of existence in any form prior to policy inception. They said the dog's lameness appeared to be caused by a lump. The dog's clinical history confirmed there had [previously] been a lump, which they couldn't disassociate from the lump currently causing the lameness. Referring to the clinical notes about the previous treatment in 2021, they said had they been aware of this when Mr K took out the policy they would have applied an exclusion.

CGIC said they'd reviewed the opinion provided by B (by their Head of Claims, a qualified vet) who disagreed with the previous diagnosis of histiocytoma, so wouldn't dissociate the

¹ Soft tissue sarcomas are a broad category of tumors including those that arise from the connective, muscle, or nervous tissues in dogs and cats. These tumors are the result of abnormal production of these cell types in an uncontrolled manner. Source: <https://vcahospitals.com/know-your-pet/soft-tissue-sarcomas>

² A histiocytoma is a benign tumor, It is an abnormal growth in the skin of histiocytes (histiocytosis), a cell that is part of the immune system. Source: Wikipedia
[https://en.wikipedia.org/wiki/Histiocytoma_\(dog\)#:~:text=A%20histiocytoma%20in%20the%20dog,also%20a%20Langerhans%20cell%20histiocytosis](https://en.wikipedia.org/wiki/Histiocytoma_(dog)#:~:text=A%20histiocytoma%20in%20the%20dog,also%20a%20Langerhans%20cell%20histiocytosis)

previous lumps from the current lump and wouldn't cover the current condition. They considered the lump linked to the condition currently claimed for to be a pre-existing condition and so excluded from cover.

Mr K then complained to this Service. He said the claim was unfairly declined, supported by his vet's opinion. He'd been left with a vet bill of £2,606.56 which he wanted CGIG to cover.

Our investigator upheld the complaint, concluding CGIC hadn't acted fairly as CGIC hadn't shown the current lump was associated with the previous lumps. To do so, they needed to have the same diagnosis, but she wasn't persuaded this was the case. The previous lumps were diagnosed as suspected histiocytoma whereas the current lump was diagnosed as a Grade 1 soft tissue Sarcoma. B stated the two diagnoses were different, so it wasn't fair to treat them as associated conditions. Nor did she think the previous diagnosis of histiocytoma was flawed. When applying an exclusion, the onus was on CGIC to show it applied, but they hadn't provided any evidence to show the lumps had the same diagnosis. On the balance of probabilities, she was more persuaded the lumps weren't associated and so the current lump couldn't reasonably be treated as pre-existing. To put things right, she thought CGIC should settle the claim in line with the remaining terms and conditions and pay interest on any settlement figure. CGIC should also pay £100 compensation for distress and inconvenience.

CGIC disagreed with the investigator's conclusions and requested an ombudsman review the complaint. They reiterated their view that without a confirmed diagnosis for the previous, pre-existing masses they would not look to dissociate them and cover the current condition. And the behaviour of a mass and whether it was regressing would not be deemed a diagnosis of histiocytoma. Their Head of Claims restated their view the pre-existing mass (lump) was a pre-existing condition.

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.

My role here is to decide whether CGIC have acted fairly towards Mr K.

The key issue in Mr K's complaint is whether CGIC acted fairly in declining Mr K's claim, on the grounds of the policy exclusion for pre-existing and associated conditions. Mr K says, supported by B, the treatment of the previous lumps isn't associated to the treatment of the current lump, as the diagnoses are different. CGIC say they can't dissociate the lumps from the previous treatment from the lump from the current treatment. They also dispute the previous diagnosis of histiocytoma.

In considering this issue, the key is whether the lumps treated in 2021 and in 2024 could reasonably be considered to be associated (and therefore a pre-existing condition). I've first looked at the relevant policy definitions and terms. In declining the claim, CGIC referred to the following policy terms:

"PRE-EXISTING CONDITION: any diagnosed or undiagnosed condition and/or Associated Condition which has happened or has shown Clinical Signs or Symptoms of existing in any form before the Policy Start Date or within the Waiting Period.

ASSOCIATED CONDITION: a Condition that is either a recurring illness and/or Accidental Injury or Lump; or related to a previous Illness and/or Accidental Injury or Lump; or caused by a previous Illness and/or Accidental Injury or Lump.

Any Lump that has the same diagnosis or displays the same Clinical Signs or Symptoms as a previous Lump will be treated as an Associated Condition. When applying the Benefit Limit and the terms of this policy, and Treatment for an Associated Condition will be considered as one Condition, regardless of when the Treatment occurred."

CGIC also referred to the following exclusion wording under *Section 1 – Veterinary Fees*:

What is not insured?

- *Any claim for Illness or Accidental Injury that relates to a Pre-existing Condition*
- *Any claim for Illness or Accidental Injury that showed Clinical Signs or Symptoms before Your Policy Start Date or within the Waiting Period*
- *Any claim which is as a result of a Lump and We consider it to be an Associated Condition and the maximum Benefit Limit has already been reached for the original Condition."*

CGIC also referred to the following exclusion:

"Growths, tumours, cancers and resulting conditions with effect from 13.02.2022"

Looking at these definitions, I think the key is whether the previous lumps and the current lump can be considered associated by having the *same diagnosis* (or has the same clinical signs of symptoms). In considering this I've looked at the clinical history and the views of the vets (including GCIC's Head of Claims, a qualified vet).

Mr K refers to the opinion of B to support his view the 2021 and 2024 lumps (and treatment) were for unrelated conditions. B made the following statement (extract):

"In September 2021 [name of dog] was examined with two lumps, one on the right stifle and one on the left thorax. These lumps were suspected to be Histiocytoma from appearance. No samples were taken of the lumps for confirmation but given that both lumps spontaneously regressed, Histiocytomas are the most likely diagnosis..."

The current claim is regarding lameness of the left fore...Further investigation was performed and thus resulted in referral to UL. During their investigation the swelling was found to be a lump superficial to flexor carpi ulnaris tendon and excision was performed. Histology results for the mass are a Grade 1 Soft tissue Sarcoma..."

The lumps on clinical examination in September 2021 are separate and not related to the current diagnoses of soft tissue sarcoma..."

As CGIC refer to the opinion of their Head of Claims (a qualified vet) in their final response, I've considered what they say:

"...Whilst we understand [name of dog] has been diagnosed with a soft tissue sarcoma without a confirmed diagnosis for the previous, pre-existing masses we would not look to dissociate them and cover the condition. Additionally the behaviour of a mass and whether it is regressing would not be deemed as a diagnosis of a histiocytoma."

B's opinion is the previous lumps were most likely histiocytomas. CGIC challenge this by saying it isn't a confirmed diagnosis (so it can't be dissociated from the current lump, where there is a clear diagnosis of Grade 1 Soft Tissue Sarcoma). However, I'm more persuaded

by B's view, as it's based on their examination of the dog at the time of the previous treatment (and reflected in the clinical notes).

And as CGIC applied an exclusion to decline the claim, the onus is on them to show the two conditions (lumps) were associated. While they've questioned the previous diagnosis, they haven't shown a clear alternative diagnosis or why B's diagnosis is clearly wrong. So, on the balance of probabilities, I'm more persuaded by B's view and diagnosis. And as there's no evidence to challenge the diagnosis of the current lump as a Grade 1 soft tissue Sarcoma, then I've concluded the two instances can't reasonably be deemed to be associated (and therefore there can't reasonably be seen to be a pre-existing condition).

Taking all these points into account, I've concluded CGIC haven't acted fairly towards Mr K in declining his claim.

To put things right, CGIC should settle the claim in line with the remaining terms and conditions of the policy. That is, they cannot apply the exclusions for pre-existing and associated conditions. They should also pay interest, at a rate of 8% simple, on the settlement sum of the claim from the date Mr K settled the vet's bill(s) to the date they settle the claim.

I've also concluded Mr K suffered distress and inconvenience from CGIC unfairly declining his claim. So, taking account of the published guidelines from this Service on awards for distress and inconvenience and the circumstances of this case, they should also pay Mr K £100 compensation for distress and inconvenience.

My final decision

For the reasons set out above, my final decision is that I uphold Mr K's complaint. I require Casualty & General Insurance Company (Europe) Ltd to:

- Settle the claim in line with the remaining terms and conditions of the policy.
- Pay interest, at a rate of 8% simple, on the settlement sum of the claim from the date Mr K settled the vet's bill(s) to the date they settle the claim.
- Pay Mr K £100 compensation for distress and inconvenience.

Casualty & General Insurance Company (Europe) Ltd must pay the compensation within 28 days of the date we tell them Mr K accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 September 2024.

Paul King
Ombudsman