

## The complaint

Ms M's complaint is about a claim she made on her The National Farmers' Union Mutual Insurance Society Limited ('NFU') horse and rider insurance policy, which was declined.

Ms M says NFU treated her unfairly.

Ms M is helped in this decision by a representative, but for ease of reference I shall refer to all submissions on her behalf as being Ms M's own.

## What happened

Ms M took out a horse and rider policy with NFU in January 2009 and renewed it each year. In August 2023 Ms M contacted NFU to discuss making a claim for treatment costs to her horse arising out likely navicular syndrome, following lameness being noted in its left foot.

NFU considered the claim and eventually declined it on the basis that they thought a general policy exclusion was applicable. In particular NFU said the exclusion meant they would not pay a claim which arises from a condition that was present before the start of the cover or was the subject of a previous claim under the policy. The policy gave an example of conditions including lameness associated with structures within the foot recurring in the same limb or happening in the opposite limb. NFU said that Ms M had previously made a claim for treatment to her horses' foot in August 2021 for excessive toe length and solar depth and as such the present claim was excluded.

Ms M was unhappy with NFU's decision. She said that she was unaware of the exclusion NFU were relying on as it was not recorded as a specific policy exclusion at renewal. She also says NFU didn't tell her they were declining her claim before she proceeded with treatment, which caused her detriment because she wouldn't have made the decisions she had about the treatment if she'd known no cover was available. Ms M has also said NFU broke all four principles of the Consumer Duty by providing her with a policy which didn't meet its intended purpose or provide value for money. She's also made some further assertions about the pricing of her policy versus the claims limits.

Our investigator considered Ms M's complaint. He thought that NFU were entitled to decline her claim in the way that they had. Ms M didn't agree so the matter was passed to me to determine.

I issued a provisional decision in June 2024 in which I said:

*"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 uphold Ms M's complaint. Before I explain why, I wanted to make it clear to both parties that in this decision I will only be determining whether NFU did something wrong in declining Ms M's claim. I'm not considering the sale of the policy because that is the subject matter of a separate complaint that has been made by Ms M to NFU about a separate issue. I am also not considering her complaint about the pricing of the policy or*

*whether it represents value for money. That is also an entirely separate issue that NFU have not had the opportunity to consider as yet. If Ms M wishes to pursue a complaint about this, she will first need to raise it with NFU.*

*The starting point is the policy terms. Under the heading 'General exclusions' the policy says:*

*"WE will not pay any claim for a HORSE which directly or indirectly arises from, or is connected with any illness, disease or CONDITION that happened, manifested, was present or had been diagnosed in the HORSE before the START OF COVER or, was the subject of a previous claim under this POLICY.*

*Such illness, disease or CONDITIONS will include, but are not limited to, the following:*

*- Lameness associated with structures within the foot recurring in the same limb or happening in the opposite limb".*

*So, the issue I need to determine is whether the condition that was claimed for in 2023 was connected with any conditions which arose before the start of the cover.*

*I am not satisfied that it was. There doesn't appear to be any dispute about the fact that the diagnosis of excessive toe length and solar depth was unconnected to either the identification of and treatment for navicular syndrome, which is the subject of this present claim, and that the two conditions are unrelated. What NFU have relied on when declining Ms M's claim is the example that follows the main term which states it includes but is not limited to "Lameness associated with structures within the foot recurring in the same limb or happening in the opposite limb".*

*I don't think NFU have interpreted the term as a whole correctly. The condition being claimed for needs to be read in the context of the policy term that precedes the example, namely that the condition being claimed for was not connected to any conditions which arose before the start of cover. And in this case, I don't think it was. The fact that both conditions resulted in a symptom of lameness doesn't in my view mean they were connected. Indeed, the first condition was resolved without event, whereas the second required significant and different treatment, because it was a different condition altogether. The way NFU have interpreted the policy term essentially extends the definition of what is excluded. Lameness on its own is not a condition, it is a symptom of several possible conditions. So, it would be unfair to exclude lameness altogether following the preceding term if the conditions are not connected. In this case the condition being claimed for is navicular syndrome whereas the earlier condition that was claimed for was excessive toe length and solar depth. NFU have read the example given in the second half of the term in isolation, which is unfair and misinterprets the way in which this term should be applied. Because of this I think the exclusion was applied unfairly and that NFU need to do something to put things right.*

### **Putting things right**

*NFU should pay:*

- *Ms M's claim, subject to the remaining policy terms*
- *Pay Ms M interest of 8% simple on any sums they pay her in respect of her claim from the time the claim was made, until it is paid."*

*I asked both parties to provide me with anymore comments or evidence they wanted me to consider in response to my provisional findings. Ms M did not respond but NFU did. They say the exclusion in their policy wording clearly says:*

*“WE will not pay any claim for a HORSE which **directly or indirectly arises from, or is connected** (their emphasis) with any illness, disease or CONDITION that happened, manifested, was present or had been diagnosed in the HORSE before the START OF COVER or, was the subject of a previous claim under this POLICY.”*

They also say it does not have to be determined that the condition is connected, it could have arisen directly or indirectly as a result of a previous claim or be connected to it. NFU say that it is documented that vets believe navicular is caused by mechanical stress and strain due to constant pressure between the navicular bone and DDFT, which leads to the degeneration of those and other structures. Poor foot conformation, such as long toe and low heel, increases stress and may increase development of the condition. They say they consider that navicular should therefore be considered as arising indirectly from the long toe and poor foot conformation claimed for 2023 and that their interpretation of the reapplication of the foot exclusion is correct.

### **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 remain of the view that Ms M's complaint should be upheld for the same reasons set out within my provisional findings and here.

It's right that I didn't address the question of whether the claim for the condition that is the subject of this complaint arose directly or indirectly from the earlier claim before cover started. That's because NFU did not provide any evidence or make any submissions about there being either a direct or indirect link between the conditions. I note that they now consider that one can cause the other. But they have not provided any clinical evidence to support this. In order to be persuaded that there was a link between the two conditions, I would need to see clinical evidence that the condition being claimed for in this specific horse most likely arose as a result of the earlier condition. No such evidence has been provided. As such I'm not satisfied that NFU have properly established either a direct or indirect link between the conditions. Because of this I uphold Ms M's complaint and direct NFU to put things right in the way I've set out below.

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NFU should pay:

- Ms M's claim, subject to the remaining policy terms
- Pay Ms M interest of 8% simple on any sums they pay her in respect of her claim from the time the claim was made, until it is paid.

**My final decision**

I uphold Ms M's complaint and direct that The National Farmers' Union Mutual Insurance Society Limited should put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 19 July 2024.

Lale Hussein-Venn  
**Ombudsman**