

The complaint

Mrs M's complaint is about a claim she made on her Covea Insurance plc ('Covea') lifetime pet insurance policy.

Mrs M says Covea treated her unfairly.

What happened

Mrs M had a lifetime pet insurance policy in place which was due to renew on 30 October 2023. She made a claim on her policy for the treatment of azotaemia in her pet between 21 October and 8 November 2023. Covea considered the claim. Upon disclosure of the pet's clinical notes, they concluded that a policy exclusion applied, and that cover would not be renewed. In particular they cited the following term:

"We will not provide cover for your pet under this policy in any circumstances if: Your pet has displayed aggressive behaviour and/or shown any adverse behavioural or aggressive tendencies which have been noted by you, the breeder, veterinary practice, rehoming organisation or any previous owner(s)."

Covea said the pet's clinical history showed that the pet was exhibiting aggressive behaviour from about September 2023. As such they said they would not renew the policy and would only cover claims up to the end date of the existing cover. This meant that Mrs M was only covered for treatment on 21 October 2023, which fell below the policy excess and was therefore not payable. Unhappy, Mrs M referred her complaint to the Financial Ombudsman Service.

Our investigator considered her complaint and concluded it should be upheld. He said that although the policy exclusion was applicable to Mrs M's pet, it was unfair for Covea to rely on it to cancel lifetime cover because Covea had not been able to demonstrate that this term had been highlighted to Mrs M before she took the policy out. As such he recommended that Covea settle Mrs M's claim in line with the remaining policy terms and pay her interest at 8% per year simple until the claims were paid. In addition, the investigator said that Covea should reinstate Mrs M's 2023/2024 policy and pay her £100 for the trouble and upset caused by unfairly declining her claim and cancelling cover.

Mrs M agreed with the investigator's view but didn't want Covea to reinstate cover for the 2023/2024 policy, but rather to pay her claims. Covea didn't agree with the investigator's view, so the matter has been passed to me to determine.

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 uphold Mrs M's complaint.

The starting point is the policy terms. As noted above they don't provide cover where the pet has displayed aggressive behaviour and/or shown any adverse behavioural or aggressive

tendencies noted by the policyholder or their vet. *“Aggressive behaviour”* is defined as:

“Attempted to bite any human or animal, has bitten any human or animal and/or killed/attacked any human or animal.”

The pet’s clinical notes record that in September 2023 Mrs M was struggling with her pet. They state that the pet had bitten her and two of her family members and drawn blood, that the attacks were unprovoked, and that Mrs M was struggling to take the pet on walks. Advice was then given about what Mrs M should do by the vet. Given what the notes say, I’m satisfied that the pet’s behaviour does fall into the definition of, and the exclusion set out in the policy.

But in order for me to determine that Covea were entitled to turn down renewal on a lifetime policy on reliance of this specific term, I would need to be satisfied that this exclusion was properly drawn to Mrs M’s attention when she took out the cover. That’s because the term is significant and the application of it would in effect end the renewal of insurance that provided continuous cover for pre-existing conditions from the date it was taken out. Any subsequent cover Mrs M might purchase would be unlikely to cover pre-existing conditions from that point onwards so the condition Mrs M was claiming for would be unlikely to be insurable in the same way any other conditions that were treated during Covea’s time on cover wouldn’t be with another policy provider

Covea haven’t persuaded me that the term was highlighted when Mrs M took out the policy. They have referred to Mrs M agreeing to a number of assumptions when she took out the policy- namely that the pet had never demonstrated aggressive tendencies- but I don’t think that amounts to making the exclusion clear. Based on the clinical notes, I can’t see that the pet had exhibited aggressive behaviour prior to policy cover so the assumption Mrs M agreed to wouldn’t have been wrong in any event.

It follows that I think Covea did something wrong by cancelling Mrs M’s renewal and turning down the claim. Mrs M has said that given Covea’s position, she’s not concerned about renewing the policy. But in order to benefit from the cover for the claim made, Mrs M would need to pay the policy premium for at least the 2023/2024 policy year. That’s because part of her claim falls into that policy year. So, I’ve made an award based on her indication that she still wishes to claim for the treatment she was pursuing from Covea. If however Mrs M does not wish to pursue this claim anymore, she should inform Covea directly.

Putting things right

Covea should:

- Reinststate Mrs M's policy for 2023/2024 setting aside the exclusion relied on in this complaint, but subject to the payment of the policy premium in the same way Mrs M paid it in the previous policy year.
- Pay Mrs M's claims that are the subject of this complaint subject to the remaining policy terms.
- Pay Mrs M interest at 8% per year simple on any sums paid to her from the time the claim was made, until payment is made.
- Pay Mrs M £100 for the stress and inconvenience caused to her as a result of declining her claim in the way that they did and cancelling her 2023/2024 policy.

My final decision

I uphold Mrs M's complaint and direct Covea Insurance plc to put things right in the way I have set out above.

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

Lale Hussein-Venn
Ombudsman