

## **The complaint**

Miss F complains about the settlement Red Sands Insurance Company (Europe) Limited (Red Sands) paid for a claim she made for her cat, under her pet insurance policy.

## **What happened**

In December 2023 Miss F's cat was diagnosed with kidney disease. Treatment was required and Miss F made a claim to Red Sands. She says it unfairly linked the kidney disease treatment to a claim she'd made in May. This was for diarrhoea and inappetence caused by inflammatory bowel disease. Miss F's policy provides cover up to £1,000 per condition over a twelve-month period. She says it was unfair that Red Sands limited its settlement to £1,000 for both claims combined.

In its final complaint response Red Sands says it considered Miss F's claim based on its policy terms and conditions and her cat's medical history. It says whilst it notes the comments provided by Miss F's vet, her cat's medical history confirms kidney disease was the summary finding during the ultrasound scan for the diarrhoea and inappetence. Red Sands maintained that its decision was fair.

Miss F didn't think she'd been treated fairly and referred the matter to our service. Our investigator upheld her complaint. He says kidney disease was suspected but not confirmed in May 2023 when the ultrasound was carried out. He also acknowledged the response Miss F's vet had provided. This says her cat didn't have clinical kidney disease in May.

Our investigator says that to put this right Red Sands should settle the claim from December 2023 as a separate condition. Miss F paid the cost of treatment herself. Our investigator says Red Sands should pay 8% simple interest on the unpaid amount for the period she was without these funds. In addition, he says it should pay her £75 compensation for the distress and inconvenience it caused.

Red Sands didn't agree with our investigator's findings and asked for an ombudsman to consider the matter.

It has been passed to me to decide.

I issued a provisional decision in August 2024 explaining that I was intending to uphold Miss F's complaint. Here's what I said:

### *provisional findings*

*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 my intention is to uphold Miss F's complaint. Let me explain.*

*Miss F has a time limited policy with Red Sands. This provides cover for any (insured) condition up to a maximum payment of £1,000. The condition is covered for up to 12-months*

*(assuming the policy is renewed) at which point its excluded from cover under the policy. I've thought carefully about whether Red Sands treated Miss F fairly under the cover she had in place.*

*Miss F's cat received treatment in May 2023, which involved an ultrasound. A claim was made to Red Sands for this treatment, which it paid. A claim was subsequently made in December for treatment relating to kidney disease. Red Sands concluded that the summary finding of the earlier ultrasound was renal (kidney) disease. This is why it combined this claim with the earlier claim, limiting the pay-out to the policy limit of £1,000.*

*I've read the clinical notes for Miss F's cat. The ultrasound in question took place on 18 May 2023. Under the heading 'summary' it says, "Suspect early renal disease, not yet detectable on bloods but changes on kidneys".*

*Miss F's vet was asked to comment on Red Sands' decision to treat both claims as one condition under its policy terms. An email was sent by the treating vet on 17 January 2024. The email says:*

*"On 18/05/2023 [Miss F's cat] underwent diagnostic testing (blood sample and ultrasound) for diarrhoea [sic]. A diagnosis of inflammatory bowel disease was made on the basis of ultrasound findings, and previous response to steroid treatment.*

*During this ultrasound slight loss of corticomedullary distinction was seen on [Miss F's cat's] kidneys. A blood sample taken at the time of this ultrasound showed normal renal parameters (urea, creatinine and phosphorus), showing [Miss F's cat] did not have clinical renal disease".*

*I can see from the clinical notes that Miss F took her cat for a number of consultations throughout June, July, and August 2023. There is no reference to kidney disease, or treatment for kidney disease following the ultrasound and blood testing that took place in May.*

*Based on this information I'm satisfied that although Miss F's cat was initially suspected to have kidney disease in May 2023, this diagnosis wasn't confirmed and was later changed to inflammatory bowel disease. Red Sands policy terms says cover is provided for each new condition for 12-months, up to the policy limit. The condition claimed for in December is different to the claim relating to the treatment in May. This means Red Sands should've treated the claims as separate conditions. A policy limit of £1,000 must therefore apply to each of the claims.*

*Having considered all of this I don't think Red Sands treated Miss F fairly. It should settle the claim as a separate condition. It should also add 8% simple interest to the outstanding payment from 17 January 2024 when Miss F's vet contacted Red Sands.*

*I've also thought about the impact all of this had on Miss F. In her complaint to Red Sands, she describes feeling a lot of stress and that she'd recently been told her cat could only have weeks to live. This was clearly a difficult time for Miss F. I don't think it was fair that Red Sands combined the kidney disease claim with the claim from May 2023. This reduced the pay-out she received and added to the distress she was experiencing. I agree with our investigator that Red Sands should pay Miss F compensation. But I think £200 is a fairer amount in these circumstances.*

*I said I was intending to uphold this complaint and Red Sands should pay the claim as a separate condition plus 8% simple interest and pay Miss F £200 compensation.*

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Miss F responded to accept my provisional decision.

Red Sands responded to say Miss F's policy is a time limited policy with a limit for each condition of up to £1,000. It says Miss F's cat first showed signs of kidney issues in January 2023 when a blood test revealed slightly elevated readings. In May it says further signs of kidney problems were shown in a blood test. Red Sands says that it appreciates my comments regarding two separate conditions (inflammatory bowel disease and kidney disease) but it maintains that the clinical history doesn't show separate conditions. It says the kidney abnormalities have been noted since January 2023.

Red Sands says that if the outcome of this complaint is that the claims are determined to be two separate conditions, then the relevant claim forms haven't been submitted.

### **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'm not persuaded that a change to my provisional findings is warranted.

In my provision decision I referred to the clinical notes that state early renal disease was suspected on 18 May 2023. This was due to some changes in Miss F's cat's kidneys. But it was also noted that there was no issue detectable in the blood tests that had been carried out. The treating vet provided further clarification following Red Sands' decision not to treat this as a separate condition. The vet explained that inflammatory bowel disease was diagnosed in May. This was based on ultrasound findings and responses to steroid treatment. Slight loss of "*corticomedullary distinction*" was noted during the ultrasound, in relation to the kidneys. But the vet was clear that normal renal parameters were identified, and so Miss F's cat didn't have clinical kidney disease at this time.

I've carefully read the clinical records that Red Sands provided, along with its further comments. But I'm not persuaded by this that the condition Miss F claimed for in December 2023 should be linked to a previous condition and claim. It should therefore be treated separately. The full policy limit for £1,000 applies for this claim. If additional forms require completing Red Sands can contact Miss F or her vet to confirm what's needed. But this doesn't alter my decision that it should pay the claim for kidney disease as a separate condition.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, I uphold Miss F's complaint. Red Sands Insurance Company (Europe) Limited should:

- pay the claim as a separate condition allowing the full policy limit and pay 8% simple interest\* on the unpaid amount from 17 January 2024 until payment is made in full; and
- pay Miss F £200 compensation for the distress and inconvenience it caused her.

\* If Red Sands considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss F how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 21 October 2024.

Mike Waldron  
**Ombudsman**