

The complaint

Miss K complains that Red Sands Insurance Company (Europe) Limited unfairly declined to cover the cost of an X-ray under her pet insurance policy.

Where I refer to Red Sands, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Miss K took out a pet lifetime insurance policy in February 2024.

In April 2024, Miss K's dog was showing signs of lameness on her hind legs. Her vet submitted a pre-authorisation request for the costs of an x-ray and investigatory treatment amounting to £515.

Red Sands said Miss K's dog had suffered from a cranial cruciate ligament rupture requiring Tibial Plateau Leveling Osteotomy (TPLO) surgery prior to the start of the policy. As this condition appeared to be the same, Red Sands said the claim was caught by the exclusion for pre-existing conditions. It declined cover and added an exclusion for all claims with respect to cruciate ligament ruptures and resulting conditions.

Miss K didn't think this was fair. She said her dog's condition wasn't yet diagnosed and the x-ray was required to do so – which was confirmed by the treating vet. So she didn't think Red Sands could fairly say it was a pre-existing condition. She was also unhappy that Red Sands had informed her that she'd be charged an excess, when she'd already paid the annual excess for this policy year.

Red Sands maintained its position, so Miss K brought her complaint to our Service. And our Investigator upheld it. She was satisfied the policy covered investigatory treatment and as the condition wasn't yet diagnosed, there was no basis on which to conclude it was linked to the previous condition of a cranial cruciate ligament rupture or a bilateral condition.

Our Investigator also found that as the policy literature provided to Miss K at the point of sale said she'd be charged one annual excess – and she'd already paid an excess on a previous claim – there was no excess due on this claim.

Red Sands said the policy literature contained an error and should've read that an excess was applicable per condition, not per policy year. But it agreed to honour these terms for this policy year, so Miss K wouldn't be charged an excess for this claim. But it didn't agree the claim was covered and referred to an exclusion for tests showing that a pet is suffering from a condition not covered by the policy.

The complaint 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.

When making a claim under an insurance policy, the onus is on the policyholder to prove they have a valid claim. If they do, the insurer should cover the claim unless it can prove that a policy condition or exclusion applies.

Miss K has shown that her dog requires x-rays to diagnose a condition which is causing lameness to the hind legs. The relevant policy term says:

*“Tests needed to diagnose a condition
We'll pay for tests when they're needed to investigate or diagnose a condition covered by this policy, such as x-rays, ultrasounds and MRI and CT scans. We don't cover routine, elective or preventative tests, for example a blood test carried out before performing surgery.”*

So, on the face of it, Miss K has demonstrated that she has a valid claim.

As Red Sands seek to rely on the policy exclusion for pre-existing conditions and conditions affecting both sides of the body, the onus is on it to show that the lameness Miss K's dog is suffering from is as a result of a condition she suffered from prior to the start of the policy. The relevant policy terms say:

*“Pre-existing conditions
Pre-existing conditions aren't covered by this policy. We consider a condition to be pre-existing if it was first noticed before your policy start date or within the waiting period, whether they needed treatment previously or not.”*

*“Conditions that affect both sides of the body
A condition or illness which affects a body part that your pet has one of, on either side of their body, is called a bilateral condition. For example this could include elbows, hips and cruciate ligaments and we consider these as one condition.*

If the condition on the opposite side of the body was first noticed before the policy start date or within the waiting period, we'll consider this a pre-existing condition. Pre-existing conditions are not covered by this policy. For example, if the damage to the left cruciate ligament is pre-existing, you won't be covered if they later damage their right cruciate ligament.”

It's not in dispute that Miss K's dog suffered from a cranial cruciate ligament rupture in October 2023. This is evidenced in the vet notes from that time.

But I can't see that Red Sands has satisfactorily proven, on balance, that the current lameness is as a result of the same condition. It hasn't provided any veterinary opinion from either the treating vet or its own advisors as to the likely cause of the lameness.

In fact, the treating vet has specifically stated that until the x-rays have been done, the cause is unknown. They say:

“We cannot currently say that [Miss K's dog]'s left hind lameness is or is not related to her right leg cruciate problem or repair (TPLO) without further investigation, such as the X-rays recommended. The X-rays will hopefully provide us with the unknown diagnosis.”

Red Sands now wish to rely on the following policy term:

*“Tests and treatments we don’t cover
If a test shows your pet is suffering from a condition not covered by this policy, we
won’t cover the cost of the test.”*

But the outcome of the test is not yet known. And I don’t think it’s fair for Red Sands to apply a policy condition in hindsight when the policy specifically covers the costs of tests to diagnose a condition.

For these reasons, I’m not persuaded Red Sands has proven a policy condition or exclusion applies here. So it follows that I think it should’ve paid the claim. If the test shows Miss K’s dog is suffering from a pre-existing or bilateral condition, it can exclude cover for any costs going forwards.

For completeness, Red Sands should only charge one excess for this policy year in line with the literature it provided Miss K at the point of sale.

My final decision

For the reasons I’ve explained, I uphold this complaint and direct Red Sands Insurance Company (Europe) Limited to:

- pay the claim,
- pay £150 compensation.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss K to accept or reject my decision before 18 October 2024.

Sheryl Sibley
Ombudsman