

The complaint

Mr B is unhappy with what HDI Global Specialty SE did after he made claims on his pet insurance policy.

What happened

Mr B took out pet insurance with HDI for his dog (L). The policy started on 21 January 2023. In July 2023 he made claims to HDI for the examination and treatment of swollen lumps which affected L initially in January and again in April 2023. Subsequent claims were made for further costs relating to this.

HDI turned these down in September. It said the policy didn't cover claims where the illness arose in the first 14 days of cover which applied to the lump found in January. And it didn't cover a recurrence of such an illness. L had now been diagnosed with haemophilia and having reviewed the veterinary evidence it thought that was likely the cause of both lumps. So it didn't cover the treatment or investigation costs associated with the second lump either. But it accepted it could have been clearer about the cover position in a July 2023 phone call with Mr B. And there had been delay in dealing with his claims. It said it would pay him £100.

Our investigator thought that, taking into account the veterinary evidence, HDI acted reasonably in concluding the initial claim was related to L's haemophilia. And that occurred within 14 days of the policy starting. She thought it likely the subsequent claim was also linked to that. She thought HDI fairly turned down Mr B's claims. But she agreed there had been delay and customer service issues with its claims handling and thought the compensation for that should be increased to £300.

Mr B reluctantly accepted that in order to draw matters to a close. HDI didn't agree but after some discussion agreed to pay £250. Mr B wasn't prepared to accept a lower figure and asked an Ombudsman to review matters. I've reviewed the comments he made in response to our investigator's view (along with his other submissions). In summary he said:

- At the time of making his claim he believed it was important to give a full history of events. So he reported the first date the lump appeared (which he said was a trauma not a disease or illness). HDI advised him to then submit continuation claims rather than create a new one for each episode. He didn't accept there was any other link between the claims other than ease of claiming.
- If his initial claim had been settled in a timely manner haemophilia wouldn't have been a consideration as that was only diagnosed subsequently (and it was the costs associated with that diagnosis to a different vet which led to his further claim).
- He said he'd only agreed to additional costs because he believed those would be covered by his insurance. And he queried why HDI had paid out for some of his claims and not for others.

So I need to reach a final decision.

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.

The relevant rules and industry guidelines say HDI has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I appreciate this has been an extremely difficult experience for Mr B. I was very sorry to learn that L has now been diagnosed with a serious condition which will likely impact his life expectancy. I recognise this will have been very upsetting for Mr B. However, the question I need to consider is whether HDI acted fairly when dealing with the claim he made. And in considering that I've looked first at the terms and conditions of his policy.

The policy does provide cover for veterinary fees but within that section contains an exclusion for *"any illness arising prior to or within the first 14 days of the inception date of the insurance or a pre-existing condition"*. And the policy contains a general exclusion which says HDI will have no liability for *"the recurrence or continuation of illness or disease from which your pet previously suffered arising prior to or within 14 days of the start of this insurance"*.

It defines pre-existing condition as *"Any illness or injury or complication directly resulting from an injury or illness, whether diagnosed or undiagnosed that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance or within the first 14 days of the policy for illness or 48 hours in the case of an injury"*. And the definition of illness includes *"changes in your pet's state of health that are not caused by an accident..."*

In this case I don't think it's in dispute L developed a lump within the first 14 days of the policy being taken out. That followed him being micro-chipped. I can see that was treated at the time and the vet's notes record *"lots of blood"* after lancing. Later that day it was reported the wound was still bleeding and had bled through its dressing. I appreciate Mr B feels that this was a trauma rather than an illness but I think it would fall within the policy definition of illness given it did represent a change to L's state of health (and wasn't caused by an accident). So I think it was correct of HDI to conclude a claim for the costs associated with treating this weren't something the policy covered.

I appreciate the claims Mr B made include costs associated with the treatment of a separate lump that L subsequently developed. As the policy doesn't cover the recurrence of illness which a pet suffered from within the first 14 days of cover I think the key question is whether the underlying cause of the first lump is the haemophilia that was subsequently diagnosed (as any recurrence of that wouldn't then be covered by the policy).

I can see following treatment for the second lump L was referred to a specialist veterinary hospital who, having examined L and investigated the lump diagnosed haemophilia. I understand that was confirmed by subsequent blood tests. And in response to HDI querying whether this and the first lump were related the vet said *"I was not the vet dealing with the microchip issue as this happened at the [referring vet] clinic. However, yes, based on the notes from [referring vet] I do believe that both problems are linked with haemophilia."*

I also note that while test results for L were awaited HDI contacted the treating vet with the same question. In response they said while it wasn't possible to comment without full information on those results *"the test results we are waiting for regard clotting factors and the*

likelihood that [L] may have haemophilia. If this proves to be the case, it is likely the lumps relate as any knocks/bumps or other trauma to a haemophilic individual would likely result in the formation of a blood clot (haematoma) and hence the presentation of lumps in various locations." So that evidence does suggest the cause of the two lumps is the same.

The treating vet subsequently provided further comments (after the claim had been declined) and said *"it is impossible to say with certainty that the swelling caused by the chip is related to his current condition"*. They said any dog could have a reaction to a foreign body (a micro-chip being inserted in it). And *"I therefore argue that the two claims may not be related"*.

When turning down a claim because an exclusion or condition of a policy applies the onus is on an insurer to show, on balance, that it does. So while it could be possible two claims are unrelated, the correct test is whether it's more likely than not they are. I don't think it was unfair of HDI to conclude from the available evidence that was the case here. That was the view of the specialist veterinary hospital. And the treating vet also said if haemophilia was confirmed (which it subsequently was) it was likely the lumps related to each other.

I appreciate a lump could also have developed solely as a reaction to the micro-chip but I think the evidence in this case (the veterinary information and the significant bleeding after the lump was lanced) does suggest a link with the haemophilia. Taking all of that into account I don't think HDI acted unfairly in concluding the claims Mr B made didn't meet the terms of his policy and turning them down on that basis.

I don't think it matters Mr B made these as continuation claims as that isn't the reason they were turned down; the terms I've referenced would apply in the same way regardless of how the claims were submitted. And even if HDI had progressed matters more quickly it would always have been entitled to seek evidence on whether there was a link between the claims prior to reaching a decision on them. So I don't think the accepted delay in progressing them has made a difference to the outcome. And as I'm satisfied HDI acted fairly here I don't need to consider why it did pay one of the claims Mr B made.

I've gone on to think about whether Mr B only incurred some of the investigation costs for L because HDI led him to believe his policy would cover these. I understand those relate to the further tests at the veterinary hospital and I've listened to the call he had with HDI which preceded his decision to go ahead with those.

In that call Mr B did raise queries about what the policy would cover in relation to CT or MRI scans which the adviser provided general information about. However, he didn't provide authorisation for these. And while I do think he could have been clearer that cover under the policy remained subject to the claim being accepted Mr B was clearly aware that a claim decision hadn't yet been reached. And he decided to go ahead with the further investigation for L on that basis. Given that I'm not persuaded he'd have made a different decision even if the adviser had given him clearer information.

I do agree there were some reasonably significant delays in the progress of some of the claims Mr B made. And I think the impact of that on Mr B is exacerbated by the fact this was already a difficult time for him when he was receiving distressing information about L's prognosis and having to think about what to do in response. In my view some of that distress would likely have been alleviated if earlier decisions had been made on his claims meaning that, while he might have disagreed with the outcome, he would at least have been clear about what it was. But I think the £300 our investigator recommended is a reasonable way of recognising the impact on Mr B of what HDI got wrong.

My final decision

I've decided to uphold this complaint. HDI Global Specialty SE will need to put things right by paying Mr B £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 November 2024.

James Park
Ombudsman