

The complaint

Miss H complains that Casualty & General Insurance Company (Europe) Ltd declined a claim on her pet insurance policy.

What happened

Miss H has had a policy with Casualty & General since February 2020 for her pet dog. The policy provides cover for each condition for 12 months.

In February 2024 she made a claim on the policy for treatment costs relating to hip pain. Casualty & General made payments for treatment costs on 2 February, 14 February and 14 March respectively.

Casualty & General said the condition had started in December 2023, so the condition would be covered up to December 2024.

When Miss H sought payment for further costs in April 2024, Casualty & General reviewed the vet's notes and noticed an entry from 20 March 2021 which referred to problems with the hindlimbs and mentioned "possible underlying osteo-arthritis".

Based on this, Casualty & General decided the problem had first been apparent in March 2021, so the 12 month period started then and expired in March 2022. Casualty & General applied an exclusion from that date. This meant there was no longer any cover for this condition, so the further costs were not paid. Casualty & General said the claims that had been paid already should not have been paid but it wouldn't seek to recover these.

Miss H complained but Casualty & General didn't change its decision, so she referred the complaint to this Service. She said it was unfair that she was told the claim was covered, only to then be told that was a mistake.

Our investigator didn't think the complaint should be upheld. He said it was fair for Casualty & General to decline any further claims on the basis the condition had first been noted in March 2021.

Miss H disagreed and requested an ombudsman's decision. She said

- it's unfair to say the condition is covered and then go back on that, and
- there was never any diagnosis for hip pain in 2021, and she had taken her dog to the vet for something else.

I issued a provisional decision saying I intended to uphold the complaint and direct Casualty & General to cover the condition from December 2023 to December 2024; refund the second excess if two payments had been deducted; and pay compensation of £100.

I set out my reasons as follows:

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim and not unreasonably reject a claim.

The policy provides cover for each condition as follows

“You can claim per Condition up to the Benefit Limit as shown on Your Schedule for a maximum period of 12 months from the date the first Symptom and, or Clinical Sign was noticed, or Treatment started, whichever happens first. Once the 12 months has passed, or the Benefit Limit has been reached no further cover will be provided for that Condition, even for future renewals.”

When Casualty & General reviewed the claim in April 2024, it noticed an entry in the clinical notes from 20 March 2021 which said, “Muscle loss towards hindlimbs Some stiffness when first getting up but exercising.” The notes also referred to “possible underlying osteo-arthritis”.

Based on this, Casualty & General decided the condition was first apparent on 20 March 2021, so the 12 month period started then and expired on 20 March 2022.

I appreciate there was a reference to a problem with the hindlimbs and a reference to possible arthritis, but I don't think it's fair to say the 12 month period should start from then based on those notes. The notes don't confirm a hip condition was present in March 2021; it was only suspected. The more likely cause of the problems was an infection. Treatment was given for that and the problem cleared up.

There was no treatment given for anything related to the hips – and no treatment was recommended for that. So there was nothing Miss H could have claimed for on her policy. It would not be fair, in these circumstances, to start the 12 month period from then. If it started then, Miss H would have effectively had no cover at all for this condition.

The 12 month period should start from when it was identified and treatment was advised by the vet. Based on the clinical notes, that appears to have been on 14 December 2023. So the 12 month period should start from then and run until 14 December 2024.

Miss H has also mentioned that Casualty & General deducted two excess payments, as the claims covered two policy years. The policy terms say an excess will be deducted from each claim, for the amount set out in the policy schedule. The policy schedule says the excess is £90. So, applying the policy terms, £90 is to be deducted from each claim.

Miss H's policy renewed on 2 February 2024, which was during the period of treatment claimed for. But the policy terms don't say Casualty & General will charge two excesses where a condition continues into another policy year. So if Casualty & General has taken two excess payments, it should refund the second payment.

It was upsetting for Miss H to be told the claim that she thought was covered would no longer be covered, and she was left with the worry of having to pay for further treatment costs that should have been covered. I think it would be fair to compensate her for the distress she suffered and the inconvenience she was caused.

Replies to the provisional decision

Casualty & General has not provided any further comments.

Miss H says she has no further comments but has asked if the decision means her claim will be backdated and whether any payments she has made to her vet will be refunded by Casualty & General, either to her or the vet.

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.

As neither party has provided further evidence for me to consider, I see no reasons to change my provisional decision. So it remains my view that Casualty & General should cover any claims for treatment for the hip condition between 14 December 2023 and 14 December 2024.

For the avoidance of doubt, that means if Miss H's pet has any treatment for the condition during that period, she can claim for it and the costs of that treatment should be paid in accordance with the policy terms.

If she has already paid fees to her vet for treatment during that period, which should have been covered but wasn't - for example, if she paid the vet herself after Casualty & General rejected the costs she claimed in April 2024, those costs should be repaid to her, with interest added to reflect the fact she lost the use of that money.

Putting things right

Casualty & General Insurance Company (Europe) Ltd needs to:

- treat the 12 month cover for the hip condition as running from 14 December 2023 until 14 December 2024, and cover claims for any treatment costs during that period, subject to the policy limit and the remaining policy terms;
- if Miss H has already paid any treatment costs that should have been covered by the policy, refund these costs to her together with interest from the date she paid them to the date of payment at 8% a year simple*;
- refund the second excess payment, if a second excess was deducted from the claim already paid; and
- pay compensation of £100 for the distress and inconvenience caused to Miss H.

* If Casualty & General Insurance Company (Europe) Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss H how much it's taken off. It should also give Miss H a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold the complaint and direct Casualty & General Insurance Company (Europe) Ltd to take the steps and pay the compensation set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 20 November 2024.

Peter Whiteley
Ombudsman