

The complaint

Mrs S' complaint is about a claim she made on her U K Insurance Limited ('UKI') pet insurance policy.

Mrs S is unhappy with how UKI handled her claim and the sum they paid her in respect of it.

What happened

Mrs S had a pet insurance policy with UKI. She made a claim on that policy for euthanasia (£115) and the purchase price of her pet (£250).

UKI considered the claim and asked Mrs S for proof of the purchase price of her pet. As Mrs S was unable to supply this they relied on a term in the policy which said that in the absence of proof, UKI would pay £70 for the type of pet that Mrs S had. UKI paid this to her accordingly.

In respect of the claim for euthanasia, UKI applied the policy excess of £190 which was more than the claim itself. This meant nothing was payable to her. So, they explained this. UKI did however accept the service they'd provided fell below what they expected in relation to delays in registering Mrs S' claims and sending the appropriate forms to her. In addition, they acknowledged a mistake was made when registering Mrs S' email address initially which meant she did not receive the settlement emails sent to her resulting in her having to chase them by telephone. UKI paid Mrs S £100 for this.

Unhappy, Mrs S complained to the Financial Ombudsman Service. She felt the requirement to provide proof of the price paid for her pet over 10 years ago was unreasonable and that she should have been asked for this when she first took the policy out.

Our investigator considered Mrs S' complaint and concluded it shouldn't be upheld. Mrs S didn't agree so the matter was 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 don't uphold Mrs S' complaint. Before I explain why, I wish to acknowledge the passing of Mrs S' pet. I know this was deeply upsetting for her and can quite understand why her claim for the costs associated this would cause her distress.

In determining this complaint I've considered the terms of the policy Mrs S took out. In relation to purchase price of a pet, the policy says:

"You're Covered for:

We'll pay the purchase price of your pet, up to £1500, if your pet dies during a period of insurance following an accidental injury to the outside of its body or due to an illness.

Special Conditions relating to claims under the section

You must provide proof of what you paid or donated for your pet. If you don't provide this, we'll only pay our minimum amount of £35 for a cat and £70 for a dog."

In this case Mrs S wasn't able to supply proof of what she paid for her pet, so UKI paid her £70 in respect of her claim. I appreciate Mrs S feels this is unreasonable but it's not a significant or unusual term, such that I think UKI should have ensured it was brought to her attention when she took out the cover. In addition, I don't think it's unfair for UKI to rely on it. As the investigator explained, without proof of what a policyholder paid for their pet, it would be unreasonable to expect an insurer to pay out what they say they paid for it. The same principle generally applies across different types of insurance policies, such as jewellery insurance for example. I cite this only because Mrs S raised this as a comparison. If insurers were to pay out claims for insured items without proof of payment, this could lead to them paying amounts that aren't accurate and could adversely impact the premiums payable by policyholders generally. So, we wouldn't think it was unfair for UKI to rely on the policy term it cited in this case. And whilst I appreciate that Mrs S insured her pet for a specific value, the term is clear that she would need to provide proof of what she paid in order to successfully claim for this amount.

I realise Mrs S feels UKI should have asked her for proof of purchase price when she first came to own her pet. I'm not clear about whether Mrs S' policy was taken out when she first purchased her pet and then renewed annually. But even if this was the case, I wouldn't expect an insurer to seek to validate a purchase price it might never be asked to pay out on. This would be both unnecessary and lead to administration costs that would again impact the price of policies generally. I realise this means that Mrs S would have had to retain evidence of the purchase price she paid throughout the life of her pet, but I don't think that means UKI should have to pay a claim in circumstances where a policyholder can't substantiate it with evidence.

Turning now to Mrs S' claim for euthanasia costs, I can see that the policy excess applicable here was £190. As this exceeds the value of the claim, UKI were right not to pay Mrs S anything in respect of it.

Finally, I've reviewed the compensation UKI have paid Mrs S for the service failings they identified. I can see that UKI apologised for these in addition. I'm satisfied that their apology together with the sum paid to Mrs S adequately addresses these failings and is in line with any awards we might make in similar circumstances.

My final decision

For the reasons set out above, I don't uphold Mrs S' complaint against U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 30 December 2024.

Lale Hussein-Venn
Ombudsman