

The complaint

Mr C is unhappy Allianz Insurance Plc trading as Petplan has reviewed the exclusions placed on a pet insurance policy and made them permanent.

What happened

The details of the complaint are well known to both parties, so I won't repeat them in full again here. Instead, I'll provide a summary of what I believe to be the main points which led to this complaint and then focus on providing my reasons for my decision.

- When taking out the policy in November 2023 Mr C let Allianz know his dog "K" had been treated for issues with his ears, had suffered a reaction to some shampoo causing a skin rash and he'd also been seen for diarrhoea.
- Based on what Mr C had explained, when setting up the policy, Allianz placed exclusions on the policy for treatment relating to skin and ears. This exclusion was reviewable if no further issues presented within 24 months.
- A claim was made on the policy in March 2024 for a lump in K's ear. As part of this claim, K's full vet history was reviewed. This revealed that K had been seen on multiple occasions for issues with his ears and there were also a few instances of skin irritation being noted.
- It was also noted that after the policy started K had suffered a further issue with slight inflammation in one of his ears, unrelated to the claim that was made for the lump.
- Based on the history of reoccurring conditions and the fact K had experienced a further episode relating to his ear, Allianz reviewed the exclusions and made them permanent.

Mr C is unhappy the exclusions have now been made permanent on the policy and he believes this is unfair. He points out that with regular cleaning of the ears further problems have been avoided and K has not been diagnosed with any allergies. He said the skin irritations were caused by a groomer clipping K and he had a reaction to the shampoo used. He said he no longer uses that groomer and has had no further issues. Mr C wants the exclusions to remain reviewable after 24 months of K being clear of any issues.

An investigator here looked at the complaint and didn't uphold it. They explained that Allianz had provided confidential information about how it views risks and the exclusions it can place on policies. Having reviewed this information, they explained to Mr C they were satisfied Allianz had applied the permanent exclusions fairly.

Mr C asked for an ombudsman to review the complaint. He reiterated his points that K had not been diagnosed with any allergies and he didn't think it was fair for the exclusions to be permanent when the causes of the previous instances are now known and resolved.

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 agree with the conclusions reached by the investigator for the following reasons:

- An insurer is free to decide what risks it wants to cover and to the extent that it wants to cover them. It isn't for this service to dictate how an insurer should do this or what it should or shouldn't cover. Where an exclusion is applied to a policy our role would be to check it has been applied fairly, in line with the underwriting criteria and, that any other policyholder presenting the same circumstances would be treated in the same way.
- Allianz has provided its underwriting criteria in confidence to this service. It is commercially sensitive information and therefore I can't share this with Mr C. I can assure him however I have reviewed it carefully. Having done so, and taken into account K's veterinary history, I'm satisfied Allianz have applied, and reviewed, the exclusions fairly. Based on the history presented and the symptoms K has experienced, the exclusions would be placed on a permanent basis.
- I understand Mr C's point that no underlying allergies have been diagnosed, that the skin flare ups happened after visits to a groomer he no longer uses, and he has been able to avoid further substantial episodes with K's ears by regularly cleaning them. However, this unfortunately doesn't make a difference to the decision I need to make here. As I mentioned above, an insurer is entitled to decide what risks it will accept and in this instance, the risk of similar issues presenting themselves in the future, isn't something the insurer has an appetite to accept.
- I appreciate Mr C thinks Allianz has reviewed the exclusions early and it should have taken place at the end of the 24 months from the start of the policy or from when K last had issues. However here this wouldn't have made a difference.
- The exclusions that were placed were reviewable at any time, although I appreciate this may not have been made completely clear to Mr C. The 24-month time limit referred to the fact if K had suffered no more issues within that time, cover could potentially have been provided going forward.
- In this case, K did suffer a further issue with inflammation to his ear and based on the veterinary history showing multiple previous occurrences, it would have always been the case the exclusions would have been made permanent. It's arguable that had the full history been known the exclusions would have been placed on a permanent basis from the start, however I think Allianz's decision to place them on a temporary, reviewable basis instead, was reasonable. And I think it further acted reasonably when it reviewed the exclusions and made the decision to make them permanent.

For the reasons above, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold Mr C's complaint against Allianz Insurance Plc trading as Petplan.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 January 2025.

Alison Gore
Ombudsman