

## **The complaint**

Miss H complains that Red Sands Insurance Company (Europe) Limited rejected a claim on her pet insurance and added an exclusion to the policy.

## **What happened**

Miss H took out a pet insurance policy for her dog, which started on 7 April 2024. Soon after, her dog had a problem with its leg and she took it to the vet. The clinical notes show that on 17 April the vet noted the dog as having patella luxation and x-rays were recommended.

These were done and Miss H made a claim for the costs but Red Sands said the condition had been noted in the first 14 days of the policy, so it wasn't covered. Red Sands also said it was adding an exclusion to the policy for any claims relating to patella luxation or resulting conditions.

Miss H's dog then had surgery for a ruptured cruciate ligament in the same leg. She made a claim for these costs but again Red Sands said they were not covered. It said the ruptured cruciate ligament was related to the luxating patella and so was excluded.

Miss H complained but Red Sands didn't change its decision, so she referred the complaint to this Service.

Our investigator said it was fair for Red Sands to say the two conditions were linked and had shown signs of being present in the first 14 days of the policy, so it was fair to reject the claims.

Miss H disagreed. Amongst other things, she said:

- if the two conditions are so closely connected, they should both have been excluded in the first place;
- the exclusion is so broad the policy is not worth the paper it's written on; and
- if she'd known about this at the time, she would not have bought the policy.

The investigator considered these points but didn't change their view, so the complaint was passed to me.

I issued a provisional decision saying it was fair for Red Sands to exclude these specific claims, but not to add an exclusion for all claims for luxating patellas and any resulting conditions, backdated to the start of the policy. So I was minded to say the exclusion should be removed. I set out my reasons as follows:

## **My provisional decision**

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 vets' fees but there are some exclusions. Relevant to this case is an exclusion for any illness that starts in the first 14 days of the policy, including any cruciate ligament conditions or injuries that start in that period. The exclusion is clearly set out and is not unusual – most pet insurance policies have an exclusion like this.

So, if the claim is for something that was present in the first 14 days of the policy, it's excluded. It's for Red Sands to show the exclusion applies.

Based on the vet's evidence, I think it was fair for Red Sands to say these two conditions were present in the first 14 days, and that they are directly related. Patella luxation is noted at the visit on 17 April 2024. The investigations and treatment followed directly from that and led to confirmation of the cruciate ligament issue. The vet's notes also record they advised Miss H the claims wouldn't be covered. I'm satisfied from the notes that the vet considered the patella luxation and the cruciate ligament were related (as they often are), otherwise I don't think they would have made that comment.

As the evidence indicates the conditions were related and started in the first 14 days, it was fair to exclude these specific claims.

However, the exclusion Red Sands added goes beyond that and excludes all claims for luxating patellas and any resulting conditions. That means if Miss H made a claim in the future for any other luxating patella or cruciate ligament issue it would potentially be caught by this exclusion. In my view that wouldn't be fair.

Although there was a problem in this leg in the first 14 days, if there's a problem in a different leg in the future, that wouldn't necessarily be related to this; it could have an entirely different cause, such as a traumatic injury.

I appreciate the policy terms, if applied strictly, mean once a pet has had a bilateral condition in one part of the body, any other occurrence in a different part of the body is treated as the same condition. But it's long been our approach that would only be fair if the underlying issue is the same. If a later claim is due to a completely independent event, such as the pet suffering an injury, and the veterinary evidence shows the different episodes are not connected, it would not be fair to treat them as one condition.

In addition, Red Sands said the exclusion would apply from the start date of the policy. To apply a wide exclusion, not limited to the specific condition treated, and backdate it to the start of the policy, Red Sands would need to show Miss H had made a misrepresentation when she bought the policy, and that the exclusion would have been added to the policy at the start but for that misrepresentation. That's not the case here.

If Miss H's dog had a problem in a different leg in the future and she made a claim, Red Sands would need to consider that claim based on the evidence at the time – and could only exclude the claim if it could show it was directly related to these issues that were apparent in the first 14 days. It wouldn't be fair to exclude the claim solely because it's a luxating patella or cruciate ligament, if the cause is quite different from the cause of the issues that arose in the first 14 days.

Miss H says the exclusion would render the policy worthless. I don't think it would, since any other type of illness or condition not resulting from a luxating patella would be covered. But for the reasons given, I think the exclusion should in any event be removed.

### **Replies to the provisional decision**

Miss H replied to say that on the assumption there's nothing further from Red Sands, she

would accept the provisional decision, but would like some clarity about how future claims might be dealt with.

Red Sands has not provided any further comments.

### **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.

In the absence of any new evidence for me to consider, there's no reason for me to change my provisional decision. It remains my view that, while the specific claims Miss H made were not covered, it wouldn't be fair to add a retrospective exclusion for all claims relating to patella luxation or resulting conditions.

I appreciate Miss H's concerns about how a claim she makes in future might be dealt with, but that's not something I can determine at this stage.

Without the exclusion for all claims to luxating patellas and resulting conditions, Red Sands would not be able to decline a claim simply because it's for a luxating patella or something related to that. It would need to consider the claim based on the evidence at the time.

If Red Sands rejects a claim where the issue does not have the same cause as the issues that arose in the first 14 days, that's unlikely to be fair. But as I've said, Red Sands would need to consider any such claim on the evidence available. If Miss H is unhappy with the decision, she could potentially make a fresh complaint about that.

### **My final decision**

I uphold the complaint and direct Red Sands Insurance Company (Europe) Limited to remove the exclusion for all claims with respect to luxating patellas and resulting conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 4 March 2025.

Peter Whiteley  
**Ombudsman**