

## The complaint

Mrs R is unhappy Red Sands Insurance Company (Europe) Limited turned down a claim she made on her pet insurance policy.

## What happened

In May 2024 Mrs R made a pre-authorisation request to Red Sands for the removal of a mass affecting her dog. Red Sands turned down the claim. It said this was a time limited policy (meaning cover was provided for 12 months from when a pet showed signs or symptoms of a condition). And the vet's notes showed the lump was first noticed in August 2022 following a visit to the groomers. So the cover period had run out when Mrs R made her claim. It also said an exclusion for claims relating to "*growths, tumours, cancers and resulting conditions*" would be put in place from the policy renewal date.

Our investigator said no further action was recommended by the vet following the August 2022 visit. And that remained the case at subsequent visits. She thought it was only following a May 2024 visit Mrs R could have made a claim for treatment so it was fair the 12 months cover period should start from that date. She also said Red Sands should seek further information from Mrs R about whether the mass was cancer related and apply the correct exclusion from the post May 2024 policy renewal. And she said Red Sands should pay £100 to Mrs R to recognise the distress and inconvenience it caused her.

Red Sands agreed to the £100 payment and to review the exclusion. But it thought the 12 months period should start from December 2023 which is when Mrs R took her dog back to the vet. It thought a price had been quoted to remove the lump at that point and she'd declined to go ahead with that. So it thought that was the first time the pet could have received treatment for the lump. It also said as Mrs R hadn't renewed her policy it would need to be reinstated (and the relevant premium paid) for cover to be provided.

Our investigator didn't agree the 12 months should start from December 2023 and continued to feel it should be May 2024. But she thought it reasonable Mrs R would need to reinstate the policy prior to any claim being paid. Mrs R didn't agree.

I issued a provisional decision on the complaint last month. In summary I said:

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

*Mrs R's policy is a 'Time Limited' one. The terms and conditions say that means "each new condition is covered for up to 12 months – as long as you renew your policy. The 12 months starts from the date your pet first showed signs or symptoms of the condition. At the renewal after the condition started, we'll add an exclusion to your policy. However, you can carry on claiming for the condition if you haven't already reached your cover limit or 12-month limit. At the end of the 12 month period we won't cover this condition again." The policy says where it uses the word 'condition' this means "any injury or illness with a single cause or diagnosis".*

*In this case I can see from the clinical history Mrs R took her dog to the vet in May 2024 and the notes say “lump getting bigger, advised to remove before getting huge”. I think it’s also clear that lump had been identified on a previous visit to the vet in August 2022 (and reviewed subsequently). So I think it was in line with the policy terms for Red Sands to conclude the 12 months relating to this condition would begin in August 2022 and so cover for it would end in August 2023. And as the claim Mrs R made was for treatment in May 2024 then on a strict interpretation of the policy wording this isn’t something it would cover.*

*However, I’m also required to consider what’s fair and reasonable in all of the circumstances of the complaint. Our long standing approach to complaints like this is it’s normally fair for an insurer to start the 12 months from the point at which a customer could have made a claim. That’s usually when a vet recommends some sort of treatment or investigation for clinical signs of a condition. The reason for that is because we don’t think it’s fair for the 12 months to start in a situation where there’s no claim a consumer could actually make. Doing that means a consumer could lose out on much of the cover provided by the policy and wouldn’t have the benefit of cover for the premiums they paid for it. I’ve thought about how that applies here*

*I don’t think any treatment of the lump was recommended when Mrs R took her dog to the vet in August 2022. And it’s not clear to me that was the case in relation to the December 2023 visit which Red Sands have referenced. The notes from then say Mrs R wanted the lump to be tested again but “after discussion with [owner] and tell her the price, she declined for the moment and decided to keep monitor for the moment”. My reading of that entry is that it’s the cost of the test that’s being referenced here and not the cost of any treatment.*

*But I don’t think that’s the key issue. While it doesn’t seem treatment was recommended until May 2024, investigation of the lump did take place when Mrs R went to the vet in August 2022. The notes record “FNA taken, only lipidic content found”. I understand ‘FNA’ stands for fine needle aspiration which is a procedure where cells are taken from a lump and then investigated on a slide. As Mrs R’s policy covers “tests when they’re needed to investigate or diagnose a condition covered by this policy” I think the cost of the FNA is something for which she could have made a claim. Given that I’m not persuaded it was unfair of Red Sands to say it would start the 12 months cover period from August 2022.*

*However, in response to our investigator’s view Red Sands agreed to start the 12 months from December 2023. It also agreed to pay Mrs R £100 and review the exclusion it had put on the policy (which would apply from the next renewal). Given what I’ve found in relation to the start date for the 12 months cover period I think that’s fair (though I don’t think it would be fair to apply the exclusion to this claim given it arose prior to that exclusion being applied). I also think it’s fair that if Mrs R does want a claim to be covered she pays the premiums necessary to reinstate the policy prior to that cover being provided.*

## **Responses to my provisional decision**

Red Sands didn’t have any comments on my provisional decision. Mrs R asked for some clarification in relation to the outcome (which our investigator provided) but didn’t make 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.

As neither party has provided any comments on the findings I reached in my provisional decision I don't have any reason to change the outcome I previously reached.

### **Putting things right**

Red Sands should apply the 12 month cover period for claims relating to the lump from the date Mrs R took her dog to the vet in December 2023. And it should consider any claims Mrs R wants to make that fall within that period if she pays the premium necessary for cover to be reinstated. It should also pay Mrs R £100.

Red Sands should also review any exclusion to be applied to the policy to ensure that correctly reflect the condition Mrs R's dog was suffering from. If an exclusion is to be applied that should only be in place from the renewal following her May 2024 claim.

### **My final decision**

I've decided to uphold this complaint. Red Sands Insurance Company (Europe) Limited will need to put things right by doing what I've said in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 3 January 2025.

James Park  
**Ombudsman**