

The complaint

Mr P complains U K Insurance Limited trading as Direct Line (“UKI”) has unfairly declined a claim for treatment on his pet insurance policy.

Any reference to UKI includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I’ve summarised events.

- Mr P has a pet insurance policy for his dog, “Y”. He took the policy out in September 2022. The policy is a time-limited policy and provides 12 months of cover for each condition from the first date of treatment. Treatment costs are capped at £4,000 per condition.
- In 2024, Mr P made a claim for treatment Y had in respect of a lipoma. Initially, UKI declined the claim saying the condition was discovered in the first 14-day period of the policy start date.
- UKI subsequently said the treatment wasn’t covered because it was outside the 12-month period from when the first treatment/consultation happened in respect of the lipoma. It said Y had been seen on 23 November 2022 regarding the lipoma and so, the surgical treatment to remove it in May 2024, wasn’t covered.
- Unhappy, Mr P brought a complaint to this Service. An Investigator considered it but didn’t uphold it. He was satisfied Y had first received treatment for the lipoma in November 2022, and so, applying the 12-month time period from this date meant the 2024 treatment costs for the lipoma weren’t covered by the policy. And so, he thought UKI had declined the claim fairly.
- Mr P disagreed and so, the complaint has been passed to me for an Ombudsman’s decision.

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.

I’ve also kept in mind UKI’s responsibilities as an insurer – as set out in the Insurance Conduct of Business Sourcebook (ICOBS) together with the overarching principles of the Consumer Duty. Having done so, I agree with the outcome our Investigator reached – I’ll explain why.

The policy states that there’s 12 months of cover for each condition from the first “treatment” date up to the maximum benefit of £4,000.

“Treatment” is defined as “any vets fees for necessary examinations, consultations, advice, tests, x-rays, surgery, prescribed drugs or medication, nursing or care given by or under the direction of a vet during the period of insurance.”

On 23 November 2022, Y was seen by a vet, and the clinical notes say:

“O found lump on cranial thorax 2 months ago not painful, soft and no growing. Well in himself [...] PE: nothing abnormal detected except 2 masses found on LHS and RHS cranial chest [...] Fna fatty content send to find. Plan pending results.”

Mr P says tests later confirmed the lipoma was benign and so, he had no reason to believe any further treatment would be required. But that’s not the determining factor here. What I have to consider is when Y was first treated for the lipoma and in turn, when the 12-month time period for that condition started.

From reading the clinical notes, it’s clear to me Y was first seen for the lipoma on 23 November 2022. And as the definition of treatment includes “*examinations, consultations, advice*”, I’m satisfied UKI has acted fairly by starting the 12-month time period from this date. So, the treatment Y had in May 2024, falls outside of this 12-month period, and I consider UKI’s decision to decline the claim on this basis to be both in line with the policy terms, and fair and reasonable in the particular circumstances.

Mr P has raised concerns about UKI changing its reason for declining the claim. I agree UKI could have provided better customer support and understanding to Mr P when explaining it’s position. And arguably, it ought to have identified the correct reason for declining the claim earlier on. Understandably, this added to what was already a worrying time for Mr P. But I have to keep in mind that despite this shortcoming, the outcome of the claim remained the same, and UKI confirmed its position a month later. So, I won’t be directing UKI to pay Mr P compensation in respect of this issue.

My final decision

My final decision is I don’t uphold this complaint.

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

Nicola Beakhust
Ombudsman