

The complaint

Miss R is unhappy with what Red Sands Insurance Company (Europe) Limited did after she made a claim on her pet insurance policy.

What happened

Miss R took out pet insurance with Red Sands in July 2024 for her dog. In August she made a claim on her policy for vet fees. These related to investigation and treatment of abdominal pain in her pet. Red Sands covered some of the costs but didn't pay for an X-ray. It said this was to investigate her dog's painful tail which it thought related to a pre-existing condition. Vet's notes from February 2023 said the dog's tail wasn't moving properly. And the vet said this might be related to the painful or limp tail reported in August 2024. As the policy didn't cover pre-existing conditions it declined to pay for the cost of the X-ray.

Our investigator didn't think Red Sands had shown the exclusion for pre-existing conditions applied. There was no mention of tail pain in the vet's notes from February 2023 and there was no clear diagnosis of what caused that in August 2024. She said Red Sands should pay the remainder of the claim (subject to the policy limits and excesses) and pay Miss R £100 in recognition of the distress and inconvenience the incorrect decline of her claim caused.

Red Sands didn't agree. It said the X-ray was to investigate the cause of the painful tail. And it reiterated what the vet said about the link with the previous problem. As the vet hadn't said there was no link between that and the cost of the X-ray it didn't agree to cover the cost of it. So I need to reach a final 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.

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.

I've looked first at the terms and conditions of Miss R's policy. This does cover vet's fee of up to £2,000 as long as the treatment was medically necessary. But the policy doesn't cover pre-existing conditions. It says a condition, illness or injury is pre-existing *"if the pet has shown signs or symptoms before you joined [insurer], or within the first 14 days of your initial policy start date. This also includes any other condition, injury or illness which is connected to that pre-existing condition as determined by a vet"*.

In this case the key issue is the cost of the X-rays. Red Sands say they were to investigate the cause of the dog's painful tail and when Miss R went to the vet in February 2023 (prior to the policy start date) she referenced a problem with the tail then. And the vet said that *"may be related to the painful or limp tail reported on 01/08/24"*. As a result Red Sands says it can't be ruled out that there's a connection between the previous tail problem and the investigation of a painful tail that took place in August 2024.

I accept no clear cause has been identified for either tail problem. And it's possible there is a link between them. However, the fact a connection can't be ruled out doesn't mean Red Sands is entitled to turn the claim down. As it's seeking to rely on a policy exclusion the onus is on it show, on balance, it applies. And while the vet accepted there may be a connection between the tail issues I don't think they've determined that's the case which is the requirement in the policy terms.

And their notes from the time don't evidence a clear link between these issues either. In February 2023 Miss R took her dog to the vet as she was concerned about new lumps and masses that had appeared. And she said when she showered her dog his tail didn't move properly. But in August 2024 the dog was reported as being "*very painful in the tail*".

That hadn't previously been the case and no concerns were reported about lumps and masses at that time. I appreciate a lack of movement was also reported but there's a significant period (18 months) between these visits taking place. And the August 2024 visit was in the context of examination for abdominal discomfort. The vet has acknowledged constipation could be a possible cause of that and the painful tail. However, there's no reference to any abdominal issues when the dog was taken to the vet in February 2023.

Taking all of that into account, while I accept it's possible the underlying cause of the tail problem is the same, I don't think Red Sands has shown, on balance, that is the case. And it therefore follows I don't think it can rely on the exclusion for pre-existing conditions to turn down Miss R's claim. It will therefore need to pay the outstanding claim costs in line with the remaining policy limits and applicable excesses. I also think Miss R will have been caused some avoidable distress and inconvenience by her claim being incorrectly turned down. So Red Sands will also need to pay £100 in recognition of the impact on her of that.

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 Miss R to accept or reject my decision before 4 February 2025.

James Park
Ombudsman