

The complaint

Mrs C complains Wakam hasn't handled her pet insurance claim fairly. She said it has unfairly deducted treatment costs from the claim settlement amount.

Any reference to Wakam includes the actions of its agents.

What happened

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

Wakam is the underwriter of Mrs C's pet insurance policy which she took out for her dog, "Y". In January 2024, Mrs C made a claim for treatment costs in respect of Y's allergies.

Wakam accepted the claim but said, in respect of Advocate - a flea treatment which had been prescribed for Y - that it would only cover one prescription of this (August 2023), and that any subsequent prescriptions would be considered "routine treatment" – which isn't covered under the policy. So, Wakam wouldn't cover the cost of Advocate from November 2023.

Mrs C didn't think this was fair, saying Advocate had been prescribed specifically for Y's allergies, and wasn't routine treatment. She also complained that Wakam hadn't covered the cost of Simparica - a flea treatment prescribed for Y in May 2023 – which she said was also for Y's allergies.

Unhappy, Mrs C brought a complaint to this Service. An Investigator considered it but didn't uphold it as he was more persuaded Advocate was being used as a routine flea treatment, rather than for specifically managing Y's allergies. Mrs C disagreed and so, the complaint has been passed to me for an Ombudsman's decision.

I considered the complaint and reached a different outcome to the Investigator. So, I set my thoughts out in a provisional decision – in which I said:

"What I've provisionally 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 Wakam's responsibilities as an insurer to handle claims fairly, promptly and to not unreasonably decline a claim. Having done so, I intend to uphold this complaint - I'll explain why.

The starting point is the policy document which says Wakam will pay the cost of veterinary treatment. However, the policy excludes costs for "Routine treatments or routine treatments that have not been prescribed." Specifically, it says:

"We will not pay for any routine or preventative healthcare, for example vaccinations, tick, worming and flea treatments, grooming and nailcare,

spaying and neutering.”

I’m satisfied the term is clear in saying routine or preventative healthcare won’t be covered under the policy. But for Wakam to rely on this exclusion, it needs to show Advocate – a parasite treatment and preventative medication for dogs – was “routine” or “preventative” healthcare. So, I need to determine if Wakam has evidenced this.

Wakam has agreed to cover the August 2023 prescription for Advocate but has said it won’t cover the November 2023 one – saying this would be considered routine treatment. Wakam hasn’t, however, provided an explanation to justify its position – rather, it’s simply pointed to the exclusion saying it applies in the circumstances.

From what I’ve seen, Wakam hasn’t contacted Mrs C’s Vet to find out why Advocate had been prescribed again. Rather, it appears to have made an assumption that the treatment is routine and not specifically prescribed for treating Y’s allergies. But that’s not enough to rely on the exclusion.

From looking at Y’s clinical history, I’ve seen that in May 2023 - when Y was seen for an allergy flare up – the Vet prescribed Simparica – another form of flea treatment. And the Vet noted that this was specifically for Y’s “dust mite allergy”. So, I’m persuaded Simparica was prescribed to treat Y’s allergies and wasn’t a routine or preventative treatment. This is relevant because later, in August 2023, Simparica was exchanged for Advocate, with the Vet noting “O used simparica and asked if it covers mites, it does not, so suggested advocate for this reason.” So, to me, both treatments were prescribed to specifically treat Y’s allergies. And given Wakam has agreed to cover the August 2023 prescription for Advocate, it seems to accept it was, at that time, prescribed for this very reason.

In the absence of evidence to the contrary, I’m not persuaded Wakam has shown it can fairly rely on the exclusion it has to decline the cost of Advocate in November 2023. I say this because it hasn’t provided any evidence to show at this time, Advocate was being used as “preventative” or “routine” treatment. And given Y’s clinical history – which I’m satisfied shows this medication had been prescribed to specifically treat Y’s allergies – I think it’s more likely than not, Advocate was prescribed in November 2023 to treat the same condition. And so, Wakam should cover this particular treatment cost.

To clarify, although I intend to direct Wakam to cover the cost of the Simparica (May 2023) and Advocate (November 2023), this is only in relation to these specific instances of treatment.

I’m not saying Wakam will need to cover all future costs for these medications, but if Mrs C wants to claim again in the future for these, Wakam will need to establish that it is “routine” in order to fairly rely on the exclusion it has.

My provisional decision

My provisional decision is I intend to uphold this complaint and direct Wakam to:

- *Cover the cost of Simparica (May 2023) and Advocate (November 2023).*
- *If it hasn’t already done so, reimburse Mrs C the cost of purchasing Advocate in August 2023.”*

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 replied to my provisional decision, I have no further evidence to consider. And so, my final decision remains the same as that set out in my provisional decision.

My final decision

My final decision is I uphold this complaint and direct Wakam to:

- Cover the cost of Simparica (May 2023) and Advocate (November 2023).
- Reimburse Mrs C the cost of purchasing Advocate in August 2023 (if it hasn't already done so). If it hasn't, Wakam should pay simple interest at 8% a year from the date Mrs C purchased Advocate to the date it is refunded.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 30 January 2025.

Nicola Beakhust
Ombudsman