

The complaint

Mr M complains that The Equine and Livestock Insurance Company Limited trading as The Insurance Emporium ("Emporium") unfairly declined his claim on a horse insurance policy.

What happened

The horse had been born in about 2010.

Mr M acquired the horse in about 2016.

From October 2019, Mr M took out a policy with Emporium. The policy insured the horse for the insured sum of £4,500.00 or its market value (whichever was less). The policy also covered vets' fees.

In March 2020, a vet's report outlined issues related to the horse's deep digital flexor tendons ("DDFT"). From 10 October 2020, Emporium applied an exclusion relating to that and other issues of the front legs.

The policy automatically renewed in October 2020, 2021, 2022 and 2023.

By early May 2024, the horse was acutely lame. Mr M's vet sadly euthanised the horse on 7 May 2024. There was no post-mortem examination.

Mr M made a claim to Emporium for the value of the horse and the costs of the vet and disposal of the horse.

On 10 June 2024, Emporium declined the claim, saying that the euthanasia didn't meet BEVA guidelines. It also said that (after deducting the costs of euthanasia and disposal) the balance of the vet's fees was under the policy excess.

On 13 June 2024, Mr M's vet sent an email to Emporium saying that the euthanasia did meet BEVA guidelines.

On 2 July 2024, Emporium declined the claim again, saying that the vet had said the horse had a possible rupture of DDFT.

By mid-July 2024, Mr M had complained to Emporium that it had unfairly declined his claim. Mr M asked us to investigate.

Our investigator said that Mr M hadn't complained to Emporium that it had taken monthly payments it had after the death of the horse and declined to refund Mr M. The investigator said that— under the Financial Conduct Authority's rules - we couldn't investigate Mr M's complaint about that.

Our investigator didn't recommend that the complaint should be upheld. She didn't think that Emporium acted unfairly in declining the claim. She said that the policy excluded DDFT of

both fore limbs, and the vet had confirmed that the injury related to the right fore limb and was a possible rupture of the DDFT.

Mr M disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The insurer unfairly declined his claim for the death of his horse.
- The vet fees plus disposal cost about £800.00. The insurer should cover this cost.

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.

Mr M's response to the investigator's opinion didn't say anything further about his complaint that Emporium had taken monthly payments after the death of the horse and declined to refund Mr M. So I make no findings about that in this final decision.

The policy contained definitions including the following:

“Immediate Humane Grounds’ Your Horse sustains an Injury or manifests an Illness or Condition that is so severe as to warrant immediate destruction to relieve incurable and excessive pain and that no other options for Treatment are available at that time. (source: BEVA Guidelines For The Destruction Of Horses Under All Risks Mortality Insurance Policy).”

The policy contained the following:

“Cover – death If Your Horse dies or is put to sleep by a Vet on Immediate Humane Grounds during the Policy Term as a result of an Injury, Illness or Condition; settlement is assessed on the sum insured or Market Value whichever is less...”

The policy contained exclusions including the following:

“Exclusions

- 1. Euthanasia performed without Our permission unless Your Vet confirms it was on Immediate Humane Grounds*
- 2. Death if Your Horse dies or is put to sleep by a Vet more than 365 days after any Injury, Illness or Condition first showed Clinical Signs*

...

- 6. Death following Injury, Illness or Condition that is excluded from cover as detailed on Your policy schedule or notified separately by letter or email.*

...

- 18. Costs of putting Your Horse to sleep*
- 19. Costs of disposal unless Section 5 is chosen.”*

The policy schedule included – in addition to the standard benefit of cover for death, theft or straying (section 1 of the policy) - the optional covers of vet's fees (sections 2 & 3), public liability (Section 8) and personal accident (section 9).

The policy schedule didn't include the optional cover of disposal costs (Section 5). So the policy didn't cover Mr M for the costs of disposal of the horse.

The policy excess was £160.00 plus 17% of the remaining vet fees.

The policy schedule included the following exclusion:

“...With effect from 10/10/2020 cover excludes osteoarthritis of the fetlocks and all related conditions the coffin joint of both fore limbs and all related conditions, the navicular bone of both fore limbs and all related conditions, the articular cartilage of both fore limbs and all related conditions, the deep digital flexor tendons of both fore limbs and the collateral sesamoidian ligaments of both fore limbs and all related conditions. With effect from 10/10/2020 Cover excludes Foot Imbalance and all related conditions.”

From the policy schedule dated October 2023 and the Insurance Product Information Document– both of which Mr M sent us - I'm satisfied that Emporium had done enough to draw Mr M's attention to the exclusions that later became relevant here.

The illness of his horse was, of course, bound to cause Mr M distress and inconvenience. The horse was in pain.

Insurers have a duty to deal with claims promptly and fairly. It's unfortunate that Emporium first turned down the claim on one ground and then later on another ground. I can understand that Mr M thought that Emporium was searching for a reason not to pay his claim.

However, the vet performed the euthanasia without permission of Emporium. The claim form asked the treating vet whether the euthanasia had been performed in line with BEVA guidelines and the treating vet ticked a box answering in the negative.

Also, the policy didn't cover the costs of putting the horse to sleep or the costs of disposal of the horse. After deducting those costs, the claim was less than the excess. So I don't consider that Emporium treated Mr M unfairly by declining his claim – up to the time that the vet said the euthanasia did meet BEVA guidelines after all.

Further, I'm satisfied that Emporium reviewed the claim on the new footing that the vet was confirming that euthanasia had been on *“Immediate Humane Grounds”*.

Nevertheless, Emporium still had to review the claim against all the other policy terms and exclusions. Those included the exclusion of *“Death following Injury, Illness or Condition that is excluded from cover”*. And the DDFT and other issues of the front legs were excluded from cover.

By an email dated mid-June 2024, Mr M's vet said:

“[the horse] had sudden onset of severe worsening of going RF lameness, with a possible rupture of DDFT, I therefore advised euthanasia on welfare grounds.”

So there's no doubt that the horse had an issue with the right front leg. The vet suggested a possible rupture of the DDFT. Further, the vet didn't suggest any alternative cause.

In view of what the vet had said, I don't consider that Emporium treated Mr M unfairly by declining the claim on the ground that the death followed DDFT or other issues of the front legs that were excluded from cover.

Emporium continued to disallow the claim for the insured sum. And it continued to disallow the costs of putting the horse to sleep and the cost of disposal of the horse. So the balance of the claim for vet's costs remained less than the excess. I haven't found that unfair.

Therefore I don't find it fair and reasonable to direct Emporium to do any more in response to the claim or the complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct The Equine and Livestock Insurance Company Limited trading as The Insurance Emporium to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 March 2025.

Christopher Gilbert

Ombudsman