

The complaint

Mr L is unhappy with what HDI Global Specialty SE did after he made claims on his pet insurance policy.

What happened

Mr L took out pet insurance with HDI in July 2023. His dog had surgery to remove a lump the following April. Mr L made claims (through his vet) for costs associated with that. HDI turned down the claim. It said the veterinary notes showed a lump had been identified in June 2023 and his vet told it this was the same lump that was subsequently treated. So it thought this was a pre-existing condition which was excluded by the policy. Mr L said he'd been advised in June 2023 by his vet that no action was required in relation to the lump and he didn't believe this should be considered a pre-existing condition. HDI didn't change its position; it said irrespective of whether treatment was required the condition had been identified prior to the policy start date.

Our investigator thought HDI was right to say the lump was present prior to the policy being taken out. And Mr L's vet had said this was the same lump that subsequently required treatment. The policy didn't require a condition to have been diagnosed for it to be pre-existing. So she thought HDI had fairly declined Mr L's claim. And she didn't think the time taken by HDI in dealing with the claim was unreasonable.

Mr L didn't agree. He provided detailed comments and in summary said:

- The treatment in this case could easily have been for a second lump which hadn't been identified prior to the policy being taken out. And he provided further comments from his vet who said the lump was in June 2023 was likely to have been the same one that was removed in May 2024.
- That contradicted the previous evidence from the vet when they'd said unequivocally it was the same lump. And looking at the comments they'd now made he didn't think it was fair or reasonable to conclude the lump was the same given the available evidence and the time that had passed between the examinations. The vet had said it was clinically unlikely it was a different lump but that didn't mean it was impossible.
- He thought the policy terms were vague and open to interpretation. Prior to the policy being taken out the lump wasn't associated with any known illness or injury. And beyond an initial examination of it no investigation had been carried out which would link it to an illness or injury until the subsequent diagnosis and treatment.
- He thought the burden of proof when voiding a contract should lie with the claimant. It wasn't reasonable in this case for HDI to do so and claim a breach of the terms given the vet was unable to evidence the same lump had been treated in this case.

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 HDI 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 Mr L's policy. That does provide cover for "*all customary charges made for treatment carried out by a vet*". But it excludes "*any illness arising prior to or within the first 14 days of the inception date of the insurance or a pre-existing condition*". And the policy defines pre-existing condition as "*Any illness or injury or complication directly resulting from an injury or illness, whether diagnosed or undiagnosed that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance or within the first 14 days of the policy for illness or 48 hours in the case of an injury*". Illness is defined as "*Changes in your pet's state of health that are not caused by an accident, or any which may be resulting from gradual or biological cause...*".

Mr L says the burden of proof when voiding a contract should lie with the claimant (by which I understand he means HDI). However, that isn't what's happened here. HDI hasn't voided the insurance contract; it's relied on an exclusion in the policy to turn down the claim Mr L made. As it's seeking to do so, the question I need to consider is whether it's shown, on balance, that exclusion applies to the claim Mr L was making. And I don't think it's in dispute that a lump was identified on Mr L's dog prior to him taking out the policy. The vet's notes from June 2023 say "*lump on anus*" and go on to say "*R side approx 1 cm diameter, near opening*".

Mr L has questioned whether that lump was the same as the one subsequently treated and which his claim related to. I think it was reasonable of HDI to conclude it was. As part of its claim investigation it asked his vet whether the lump mentioned in June 2023 was the same one that was later removed. The vet said "*we can confirm that the lump on the anus noted by the vet in June 2023 is the same lump that has received recent treatment in this claim*".

Mr L has provided a more recent email from the vet which says "*the lump examined in June 2023 is likely to be the same lump removed in May 2024*". And it explains the rationale behind that conclusion which includes the similar positioning of the lump and the likelihood it had increased in size between June 2023 and April 2024. The vet does acknowledge it was possible the original lump had regressed and a new one had appeared but they say this would be "*clinically unlikely due to the slow growing nature of Perianal Adenomas*".

I accept that email from the vet is less categoric as to the link between the lumps than was initially stated. But it nevertheless says in their clinical opinion there is likely to be a link between them. And, as I've said, the test is whether HDI has shown on balance the policy exclusion applies. Given the veterinary evidence I think it was reasonable of HDI to conclude it was most likely the lump treated in April 2024 was the same one which had been present prior to the policy being taken out.

And I think HDI has correctly concluded the policy exclusion does therefore apply in the circumstances of this case. I appreciate the lump wasn't initially given a clear diagnosis (though the vet's notes indicate they thought it was a benign tumour). But the policy doesn't require a diagnosis for a condition to fall within the definition of a pre-existing condition. It needs to represent an illness as defined by the policy. I think in this case it would; the development of a lump (with the possible identification of a benign tumour) is something that would represent a change in a pet's state of health. I appreciate that wasn't investigated further at the time but again the policy doesn't require that to be the case. The exclusion applies where an illness has been "*identified by a vet or is otherwise known to you*". In this case the lump its recorded in the vet's notes (and there's no dispute Mr L was aware of that at the time).

I've gone on to think about whether it's nevertheless fair of HDI to rely on that exclusion to turn down the claim Mr L made. It might not be where a pet had symptoms of a condition prior to the policy being taken out but the policyholder couldn't reasonably have been aware of them. Or where they were aware but wouldn't reasonably have thought that would lead to investigation or treatment.

In this case for the reasons I've already set out I think Mr L was aware of the pre-existing condition prior to taking out the policy. But he says he was advised by the vet in June 2023 that the lump wasn't causing his dog any discomfort and didn't seem to be growing. No further action was advised. The vet's notes support that the lump wasn't causing his dog any discomfort. However, they also say surgical removal was discussed with Mr L which he declined and don't give further detail on the reasons for that.

But even if Mr L's recollections of what happened at the time are correct I don't think he could have reasonably assumed no further investigation or treatment of the lump would be required in future. He's told us he was advised to monitor it by the vet which indicates he would have been aware it might require treatment in future if, for example, it increased in size (which is what then happened). I don't think he could have thought this issue had been resolved at the point he took out his policy. And it follows that I don't think HDI acted unfairly in relying on the exclusion for pre-existing conditions to decline his claim.

Mr L has also raised concerns about handling of his claims by HDI. I do think these could have been moved forward more quickly. In particular for the first two claims he made it appears to have taken HDI at least a month to take action on them after receipt (and that only appears to have been prompted by Mr L chasing for a response). I don't think there was significant further delay in the claims then being progressed but I accept that initial period of inaction will have been frustrating for Mr L. He shouldn't have had to chase HDI to get things moving. But looking at the claim journey overall, and on balance, I don't think the impact on Mr L of the delay is something which requires compensation from HDI.

My final decision

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 March 2025.

James Park
Ombudsman