

## **The complaint**

Mr S complains that Casualty & General Insurance Company (Europe) Ltd declined a claim on his pet insurance policy.

## **What happened**

Mr S bought a pet insurance policy for his dog in December 2023. In July 2024, his dog developed a corneal ulcer in her right eye and he made a claim on the policy for the treatment costs.

Casualty & General declined the claim. It said the clinical history showed his dog had been diagnosed with corneal ulcers in her left eye before the policy started, so this was a pre-existing condition, and the policy doesn't cover pre-existing conditions. Mr S complained but Casualty & General didn't change its position.

Our investigator said the evidence didn't show the corneal ulcer in the right eye was connected to the earlier problems in the left eye, and Mr S' vet had confirmed they were not connected. She didn't think it was fair to treat this as a pre-existing condition.

The investigator recommended that Casualty & General should settle the claim and, if Mr S had already paid the vet's fees, add interest. She said Casualty & General should also pay compensation of £100 for the distress caused to Mr S.

Casualty & General didn't accept the investigator's recommendation and requested an ombudsman's decision. It says the condition in the right eye is the same as the previous issue in the left eye and that means it's a pre-existing condition, as set out in the policy terms.

## **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 industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim.

When deciding whether it was reasonable to reject the claim, the starting point is the policy terms. The policy terms are clear that there is no cover for pre-existing conditions, which are defined as follows:

*"Pre-existing means any diagnosed or undiagnosed condition, related condition or bilateral condition which has happened or has shown signs or symptoms of existing in any form in the last 24 months before the policy start date..."*

Casualty & General also says the condition Mr S' pet had was a bilateral condition, and relies on the following policy term, which defines bilateral conditions and says they will always be treated as one condition:

*“Any condition that can affect body parts of which your pet has two or more, such as ears, eyes, front and back legs and feet, cruciate ligaments, hips, shoulders and elbows and which can occur at different times. When applying the excess and terms of this policy, any treatment for bilateral conditions will be considered as one condition (see related condition), regardless of when the treatment occurred.”*

It's not unusual to exclude pre-existing conditions – insurance is generally intended to cover a future risk, rather than something that has already happened. But I've considered whether, in the circumstances of this complaint, it was fair to treat this as a pre-existing condition.

There's no dispute that Mr S' dog had been treated for corneal ulcers in her left eye before the policy started. This is a bilateral condition, which can affect either eye. If the policy term is applied strictly, Casualty & General would consider any further corneal ulcer to be the same condition. But I need to consider whether it's fair to apply the policy terms in that way.

Casualty & General says the policy does not require any evidence of a link or direct causation between the two issues; the mere fact that the condition is capable of affecting both eyes qualifies it as a bilateral condition. And if it was present before the policy started, then it's pre-existing.

Applying the policy term in such a broad way means that, once a pet has a problem in one part of its body, if a similar problem happens again – even years later, and not in any way connected to the earlier one – it would be excluded. It's long been our approach that it will generally be fair for the insurer to treat it as one condition if the different problems are directly related, or have the same underlying cause. But this would not be fair if the different episodes are not connected.

Mr S' vet has made it clear they don't consider the earlier problems with the left eye are related to the condition claimed for in the right eye. They said *“I do not have any suspicion this is linked to any previous ocular conditions in this eye or her left eye. The diagnosis SCCED — spontaneous chronic corneal epithelial defect conveys the spontaneous nature of the disease process.”*

Casualty & General hasn't provide veterinary evidence to show the problems in the two eyes are connected. It says that is not relevant, as the way the policy term is written, the mere fact they are the same issue is enough, regardless of whether they are connected. It is, however, important to consider if the two problems are connected.

As far as Mr S was aware, his pet had had a problem in her left eye, which was treated and resolved before the policy started. She later had another problem in her right eye, and the veterinary evidence is that this is not connected to the problem with the left eye.

In these circumstances, it is not fair to treat this as the same condition and decline the claim. So Casualty & General should pay the claim, in line with the remaining policy terms.

Having the claim declined left Mr S facing a large bill for the treatment costs, and was upsetting for him. I agree it's fair to compensate him for this.

### **My final decision**

I uphold the complaint and direct Casualty & General Insurance Company (Europe) Ltd to:

- Settle the claim in line with any policy excess and the policy limits. If Mr S has already paid the vet's fees, Casualty & General should add interest from the date Mr S paid the fees to the date of payment at 8% a year simple.\*

- Pay compensation of £100 for the distress and inconvenience caused to Mr S.

\*If Casualty & General Insurance Company (Europe) Ltd considers that it's required by HM Revenue & Customs to deduct income tax from the interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

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

Peter Whiteley  
**Ombudsman**