

## **The complaint**

Mr K is unhappy West Bay Insurance Plc turned down a claim he made on his pet insurance policy.

## **What happened**

Mr K has pet insurance with West Bay taken out in February 2023. In May 2024 he claimed on his policy for the cost of surgery his dog had to remove two lumps. West Bay said the policy didn't cover pre-existing conditions. And in this case the vet's notes showed lipomas had been observed prior to the policy start date and the vet had confirmed the masses subsequently removed were likely also lipomas. It turned down the claim.

Our investigator agreed one of the lumps (on the dog's rear leg) was present prior to the policy being taken out and didn't think West Bay needed to pay the costs associated with that. However, the second lump only seemed to have appeared more recently. And while they might both be lipomas for an insurer to fairly decline the claim it would need to show the underlying cause was the same. In this case Mr K's vet had said lipomas developed spontaneously and independently of each other and he considered each one to be a new condition. Our investigator didn't consider West Bay had fairly declined the claim for the removal of the second lipoma. She said it should reimburse the cost Mr K incurred in relation to that (plus interest). And it should also pay him £150 in recognition of the distress and inconvenience it had caused him.

Mr K accepted her outcome. West Bay didn't agree. It said Mr K's vet had confirmed both lumps were lipomas and the veterinary history recorded previous lipomas in 2021 and 2022 which was prior to the policy being taken out. It thought the policy wording made clear what a pre-existing condition was and the claim Mr K made was caught by that exclusion. It thought it had been correctly declined.

## **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 West Bay 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 K's policy. This does provide cover for *"an accident, illness or injury occurring to your pet, subject to the limit of cover shown on your policy schedule for each period of insurance to cover all injuries or illness from the one annual policy limit"*. But it doesn't cover *"Any illness arising prior to or within the first 10 days of the inception date of the insurance or a pre-existing condition"*.

The policy defines as pre-existing condition as *"any illness or injury or complication directly resulting from another injury or illness, whether diagnosed or undiagnosed or that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance. If an illness or injury has gone longer than 2 years without any symptoms being shown/documentated and no veterinary advice sought, we will not treat that illness or injury as a pre-existing condition"*. And it defines illness 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"*.

The policy also contains a general condition which says *"you are aware upon purchase of this policy that any health problems your pet has shown symptoms of, or has received treatment for in the 2 years prior to this policy starting, will be treated as a pre-existing condition"*.

In this case I don't think it's disputed that one of the lipomas which was removed in April 2024 was present prior to the policy being taken out. Mr K has accepted the costs associated with that wouldn't be covered by his policy so I haven't considered that issue further. But it does appear the second lipoma, which was removed at the same time, wasn't present prior to the policy start date. The first reference to that lipoma in the vet's notes is in April 2024 when it was identified as part of a clinical examination.

For that to fall within the definition of pre-existing condition in the policy terms that would need to directly result from another illness that had been identified prior to the policy start date. And I don't think it's fair for an insurer to decline a claim just because the claimed condition is the same as a previous condition in name only. In order to do so it would need to show there was a connection between the underlying cause of the lipomas present prior to the policy being taken out and the lipoma that subsequently developed.

The only available veterinary evidence on this is from Mr K's vet who has said *"the surgery I performed on [dog] involved removal of a likely lipoma on his knee, first noted a couple of years ago; as well as a likely lipoma on his prepuce. This was a new lump that we had not previously seen [dog] for, nor had it ever been mentioned in the notes before I saw [dog] - to my knowledge... lipomas develop spontaneously and independently of each other and as such I would consider each one to be a new condition"*.

Taking into account that and the other evidence in this case I'm not satisfied West Bay has shown the policy exclusion for pre-existing conditions fairly applies to the claim for removal of the second lipoma. So West Bay will need to reimburse the costs Mr K incurred which relate to that (which I understand amount to £780.85). It will be entitled to deduct the applicable excess from that amount. West Bay should also pay interest at 8% simple on that amount from the date Mr K paid those costs until the date of settlement. I also agree that having his claim wrongly declined will have caused Mr K some avoidable distress and inconvenience for which West Bay should pay him £150.

### **My final decision**

I've decided to uphold this complaint. West Bay Insurance Plc 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 Mr K to accept or reject my decision before 9 April 2025.

James Park  
**Ombudsman**