

The complaint

Mr A complains that Building Block Insurance PCC Ltd unfairly declined a claim under his pet insurance policy.

Where I refer to Building Block, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Mr A holds a pet insurance policy for his dog 'R', underwritten by Building Block, effective from 15 November 2023.

In April 2024, R needed surgery. So Mr A made a claim under his policy. He tells us that he didn't receive a response for several months, and when he did, he was told there would be a 54% reduction to the claim settlement.

Building Block says Mr A made a misrepresentation when he took out his policy, because he gave an incorrect answer to a question about R's weight. Building Block says, had Mr A answered the question correctly, it would've charged a higher premium and the misrepresentation has led to Mr A paying 54% less for his policy. As such, it's settled the claim proportionally.

Mr A didn't think this was fair, so he raised a complaint which he brought to our Service. And our Investigator upheld it. She wasn't satisfied Building Block had asked a clear question and the answer given was reasonable in the circumstances. For that reason, she recommended Building Block pay the claim plus interest and compensation.

As Building Block didn't agree, the complaint has been passed to me to decide.

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 law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). CIDRA allows an insurer to take certain remedies in situations where it can show a qualifying misrepresentation has occurred.

Mr A took his policy out online and Building Block has provided a screenshot of the question he would've been asked at the time. This says:

"What is the weight of your dog?"

There are three options to select from: 1) Small (up to 10kg), 2) Medium (10-20kg), and 3) Large (over 20kg).

Mr A selected option one; small. This is because R was a three-month-old puppy at the time and he weighed less than 10kg, so Mr A considered this to be the correct answer.

But Building Block says Mr A answered this incorrectly. It says the question is asking for the dog's weight when it's a fully grown dog, not its current weight. The screenshot shows an information icon at the end of the question. And when clicked on, the following information is provided to assist with answering the question:

"Please select the size for your dog when it is a fully grown adult from the options provided. It's important that we get the size correct otherwise it could mean your policy could become void and claims rejected. If you're not sure what size your dog will be when it's fully grown then please ask your vet."

At the time of making the claim – five months after the policy was taken out – R weighed over 20kg. So Building Block says Mr A should've selected the third option; large.

I've thought about whether Mr A made a misrepresentation. In doing so, I've thought about whether Building Block asked a clear and specific question, provided explanatory material to assist with answering the question, and whether it highlighted the importance of answering it correctly.

Having done so, I'm not persuaded Building Block asked a clear and specific question based on the information it wanted to gain from asking it. I say this because the question is worded in the present tense and implies Building Block want to know the current weight of the dog. So I'm persuaded it was reasonable for Mr A to provide R's weight as of that date.

If Building Block wanted to know the weight of the dog when its fully grown, it only needed to ask that. I appreciate it has provided explanatory material to assist with answering the question, but I don't think any reasonable customer would believe they needed help answering this question given that it appeared straight forward. A reasonable customer wouldn't know the intention of the question was actually different to the way it had been presented and because of that, they may not click on the information icon to access the explanatory material. But, even if they did, the fact the explanatory material contradicts the actual question being asked makes this unclear and misleading.

For this reason, I'm not persuaded Mr A made a misrepresentation. So I don't need to decide whether it was a qualifying one which allowed Building Block to settle the claim proportionally. Instead, Building Block should pay the claim in full, and it may want to reconsider how it asks this question going forwards to make it clearer and more specific to the information its looking to obtain.

Mr A tells us his claim was submitted in May 2024, but he didn't receive any acknowledgement until August 2024. And the claim was declined shortly after.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires businesses to handle claims promptly and fairly, provide information on the claim's progress, and to not unreasonably reject a claim. I'm not satisfied Building Block has complied with these regulations.

As a result of the delay and subsequent rejection of his claim, Mr A was left to pay the vet directly on his credit card which affected a mortgage application and he lost a property he

was trying to purchase. I've no doubt this would've caused Mr A unnecessary distress and inconvenience, for which he should be compensated.

My final decision

For the reasons I've explained, I uphold this complaint and direct Building Block Insurance PCC Ltd to:

- pay Mr A's claim in full, minus any policy excess and up to the policy limits, plus 8% simple interest per annum from the date Mr A paid the vet until the date he is reimbursed.
- pay £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 April 2025.

Sheryl Sibley
Ombudsman