

The complaint

Mr L's complaint is about a claim he made on his Casualty & General Insurance Company (Europe) Ltd ('C&G') pet insurance policy.

Mr L is unhappy that C&G have applied a £1,000 limit to his claim which he thinks should be £2,000 in accordance with his current policy.

What happened

Mr L had an annual benefit pet insurance policy in place with C&G which he renewed annually. At some point before his latest claim, he opted to increase his claims limit from £1,000 to £2,000.

Some months later Mr L made a claim on his existing policy for treatment to his pet in relation to a blocked bladder. C&G considered the claim and agreed to pay part of it but not all of it. C&G said a cap of £1,000 per policy year applied because the claim was for a reoccurring issue for a blocked bladder which Mr L had claimed for in previous policy years and when his policy limit for that specific claim was £1,000. As such they said the existing policy limit of £2,000 did not apply in this case.

Unhappy, Mr L complained to the Financial Ombudsman Service. Our investigator considered his complaint and upheld it in part. He said that whilst C&G's stance was correct and supported by the policy terms in respect of the £1,000 benefit limit, they had not applied the excess correctly. As such he said C&G should pay Mr L £200 in respect of this plus interest at 8% per year simple. C&G don't agree so the matter has been passed to me to determine.

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.

Having done so, I uphold Mr L's complaint. This is why.

The starting point is the policy terms. They say:

"You are able to increase/decrease your vet fee annual limit and add/remove optional covers during the policy period. Please note that any diagnosed or undiagnosed condition, related condition, or bilateral condition which has happened or has shown clinical signs or symptoms of existing in any form prior to the increase in cover (vet annual fee limit increase or added optional cover) will not benefit from the increase in cover".

I can see that when Mr L increased the policy limit, he appears to have been told by C&G that:

"Conditions which have happened or have shown signs or symptoms of existing in any form will not benefit from any increase in cover".

From what I can see Mr L had made several claims for his pet in relation to its blocked bladder in advance of this increase taking effect. So, when Mr L made his claim in August 2024, C&G applied the £1,000 limit that was previously applicable to the treatment of a blocked bladder, which I think accorded with both the policy terms and the information Mr L was given when he increased the policy limit. Because of this I don't think C&G did anything wrong by applying a £1,000 policy limit to these claims per policy year.

Had Mr L have supplied any evidence to show that his pet's condition was distinct from the previous episodes claimed for I might have been persuaded otherwise but as things stand the claims he's made appear to be for the same problem. And as the investigator said it seems from the clinical notes that Mr L was aware this was a related condition because they record that Mr L had already spent the policy funds on what is essentially described as the same sort of treatment claimed for in previous policy years.

I turn now to how C&G calculated the latest claim Mr L made. The claim was calculated by C&G as follows:

Amount claimed	£2,646.23
Less	£70.06 for the health booster as this part of the cover was not effective.
	£1,576.17 for the amount exceeding the £1000 per condition, per policy year.
	£200 policy excess for this condition for this policy year

Settlement payable £800

I've considered the way the claim was calculated and don't agree with the way in which C&G applied the excess payment here. The way in which the excess was applied means that Mr L could never benefit from the full policy limit. This is how we'd expect the excess to be applied instead:

Amount claimed	£2,646.23
Less	£70.06 for the health booster as this part of the cover was not effective.
	£200 policy excess for this condition for this policy year
	£1,376.17 for the amount exceeding the £1000 per condition, per policy year.

Settlement payable £1,000

C&G have provided several reasons why their application of the excess is correct and accords with their policy terms, but this is entirely at odds with the Financial Ombudsman Services' longstanding approach. Whilst I understand why C&G might have chosen to structure their policies this way, it isn't something we'd consider to be fair or reasonable because it means that customers like Mr L would not be able to benefit from full policy limits if their claim exceeds a cumulative total of that limit combined with the excess. Because of this C&G need to put things right in the way I've set out below.

After receiving the investigator's view Mr L has said that C&G have applied his policy excess in the same way to previous claims he's made against his policy for the same condition in previous policy years. Whilst I'm not considering those claims in this decision, if C&G has applied the excess in the same way, we would expect them to now remedy that with Mr L directly. If they don't then Mr L will be entitled to raise a new complaint about the application of those excesses with C&G and refer that to this Service to consider.

Putting things right

C&G should reimburse Mr L £200 for the way in which the excess was applied to his claim and pay him interest at 8% per year simple from the time the claim was paid until that sum is reimbursed.

My final decision

I uphold Mr L's complaint against Casualty & General Insurance Company (Europe) Ltd and direct them to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 21 April 2025.

Lale Hussein-Venn
Ombudsman