

The complaint

Miss M is unhappy that Allianz Insurance Plc (Allianz) trading as Petplan paid her less than she feels it should when she made a claim on her policy.

What happened

The events which led up to this complaint are well known to both parties, so I'll give just a broad overview here.

Miss M has a Pet Insurance policy with Allianz for protection for her pet cat. Very sadly her cat was hit by a car and passed away from his injuries. Miss M made a claim on her policy which included cover for "Death from Injury" up to a maximum benefit of £3,000. Allianz assessed the claim and paid Miss M £70.

Miss M was unhappy with this and complained. She felt the amount Allianz had paid didn't represent the care of her cat she had shown, both emotionally and financially, over several years and didn't even cover the cost of his cremation. She also felt the terms and conditions of the policy were misleading. Miss M felt Allianz should pay the full £3,000.

In its response, Allianz didn't agree and felt that the payment was fair under the policy terms. Miss M was unhappy with this and so brought the complaint to this Service.

Our Investigator didn't uphold the complaint as she felt that Allianz had acted fairly and reasonably within the policy terms and conditions that apply in this case.

Miss M remained unhappy, so the complaint has been passed to me for a final decision.

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.

I first want to recognise the loss of her cat, in such tragic circumstances, will have been devastating for Miss M. Losing a beloved pet is always distressing especially in this case and making a subsequent claim on her policy, and it being assessed, will have been very difficult indeed.

I've borne this in mind when deciding, as is my role here, whether Allianz have acted fairly towards Miss M.

From the evidence I've seen, Miss M renewed her Pet Insurance policy with Allianz in August 2024. Following this renewal Allianz sent Miss M a certificate of insurance which detailed what was (and wasn't) covered and the insurance limits relating to each element of the cover.

The limit for "Death from Injury" cover, which was the subject of the claim, was £3,000. And it is this figure which Miss M feels she is entitled to under the claim, even though this is

described as the 'limit', in other words the absolute maximum that could be paid under the policy.

The information Allianz sent Miss M also included an "Insurance Product Information Document". This provided key information about Miss M's policy.

The document explained how any claim for "Death from Injury" would be treated. It reads:

Optional extra – Death from Injury

This section of cover's optional and you've included it in your cover

- *If your pet dies due to an injury, we'll give you the amount you paid for your pet*
- *If you need to claim, we may ask for the rehoming document or purchase receipt showing how much you donated or paid for your pet, so keep this somewhere safe. If you don't have this, we'll give you the market value or the amount you paid/donated, whichever is less.*
- *The most we'll pay under this section is £3,000*

When Allianz assessed Miss M's claim it was against the above criteria.

From the evidence I've seen, Miss M couldn't provide a receipt to show Allianz how much she'd paid when she first got her cat. This is understandable as it was several years earlier. But because she was unable to provide any receipt, I think Allianz acted fairly in applying the above policy terms and using the market value to calculate the claim.

Under the policy terms, "market value" is defined as:

The price generally paid for the breed of your pet the year he/she was born, according to our data.

From the evidence I've seen, Allianz gather data from several sources to calculate the likely average price paid for pets in any given year. These sources are varied and include animal charities and breeders and taken together, allow Allianz to calculate the likely market value. And this is what Allianz did in this case.

Allianz took the average market value for Miss M's cat from 2019 to calculate the claim. I think this is fair as Miss M obtained her cat in 2014 so the value in 2019 is likely to have been at least the same if not more. This average value was £70, and this is what Allianz paid.

But in her submissions Miss M feels Allianz have been unfair in several areas. Miss M feels the Policy Terms are misleading and unclear. She says the policy states the maximum pay-out is £3,000 but is not clear that the amount paid would be based on a market value.

Miss M also feels that the methodology used to calculate market-value isn't transparent. Miss M feels this should be more clearly stated in the terms and conditions provided and thinks that Allianz may be in breach of Financial Conduct Authority (FCA) guidelines, specifically, PRIN 6 and PRIN 7 of the Principles for Business.

These say:

PRIN 6: *A firm must pay due regard to the interests of its customers and treat them fairly*

PRIN 7: A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading

I've thought about this carefully and I don't agree that the policy is unclear. As I've mentioned above, Miss M was given documents which clearly say how the "Death from Injury" claims would be dealt with. The document is designed to draw policyholders' attention to key aspects of the policy and is the level of transparency I would expect to see in these cases. As stated by Allianz in its terms concerning Death from Injury, '... we'll give you the amount you paid for your pet.'

I have some sympathy with Miss M regarding the methodology used to calculate the market value as this detail isn't readily available to policyholders. But, as stated above, I've reviewed the evidence provided by Allianz and think that the methodology used to calculate the value it arrived at was fair. It's worth bearing in mind that this methodology only applies where there is a lack of evidence of the purchase of the pet.

In summary, and having looked at the evidence carefully, I don't think Allianz are in breach of the Principles of the FCA Handbook for the reasons I have given. In her evidence, Miss M feels that Allianz have failed to recognise the emotional distress that she suffered when she lost her cat. She also feels Allianz haven't recognised the full financial costs she has been faced with.

I have every sympathy with Miss M as, from the evidence I've seen, the loss of her cat has clearly had a devastating impact on her. I've also seen clear evidence of the considerable care that Miss M paid for and gave her cat over the years. And I've no wish to cause Miss M any further distress when I make this decision.

But my role here is limited to deciding if Allianz have acted fairly and reasonably when they assessed the "Death from Injury" claim Miss M made when she tragically lost her cat. And for the reasons stated above I think it has.

My final decision

For the reasons stated above I don't uphold this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 28 April 2025.

Ben Castell
Ombudsman