

## **The complaint**

Miss H complains that when she claimed on her pet insurance policy, EQUINE AND LIVESTOCK INSURANCE COMPANY LIMITED (THE) ("ELICO") trading as The Insurance Emporium added two exclusions to the policy, and made a deduction in respect of the payment for a consultation fee.

## **What happened**

Miss H has a pet insurance policy for her cat, underwritten by ELICO, which started in May 2021. The policy covers each condition, illness or injury up to the maximum benefit limit of £5,500.

In August 2024 Miss H made a claim on her policy after her cat needed some treatment for two conditions - hypertrophic obstructive cardiomyopathy, and severe non regenerative anaemia. ELICO paid the claims. In addition to deducting the excess and co-payment that Miss H had to pay, it also made a deduction of £130 from the amount claimed for a consultation fee.

Shortly after this, ELICO told Miss H it would be adding two exclusions to the policy at the next renewal in May 2025. These would exclude any claims for heart conditions and all related conditions, and claims for anaemia and all related conditions.

Miss H was unhappy with the deduction of £130 and with the exclusions being added. She complained about this but ELICO said it was entitled to make the deduction and to add the exclusions. So Miss H referred the complaint to this Service.

Our investigator said ELICO could make the deduction of £130 from the claim, as that was in line with the policy limits, but it wasn't fair to add the exclusions. She asked ELICO to remove the exclusions and to pay compensation of £100 to Miss H for the distress and inconvenience caused to her.

ELICO disagreed and requested an ombudsman's 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.

Miss H says the way ELICO has dealt with her claims is unfair and not in line with the FCA's principles relating to treating customers fairly. I've considered the complaint in light of the relevant industry rules and guidance, which say insurers must deal with claims promptly and fairly; give consumers the information they need in a way they can understand, with information that's clear, fair and not misleading; and support their customers in making use of their policy without unreasonable barriers.

The policy terms set out the cover provided as follows:

*We pay up to the Maximum Benefit shown in Your policy schedule for Treatment and/or Complementary Treatment of an Injury, Illness or Condition, if (a) the Injury, Illness or Condition occurs during the Policy Term, (b) the policy is in force and (c) the premium payments are up to date when the Injury, Illness or Condition first displays Clinical Signs.*

*When the Maximum Benefit has been reached, We will not pay any more for the treatment of the relevant Injury, Illness or Condition (including Bilateral Conditions) whether the policy is renewed, or not.*

Some pet insurance policies only provide cover for an illness or condition for up to 12 months. This is a maximum benefit policy. It doesn't limit cover in that way. Provided she renews the policy and keeps paying the premiums, Miss H may continue claiming for a condition without time limit, until she reaches the benefit limit for that condition.

The policy is renewed each year, and the policy terms do allow ELICO to make changes, but this doesn't necessarily mean any changes made at renewal will be fair. While the policy terms set the starting point, I need to consider whether ELICO has acted fairly, taking into account all the circumstances, including the rules and guidance set out above.

The information provided to Miss H about her policy is clear that she is entitled to continue claiming for each illness or condition until she reaches the maximum benefit limit. Any change that fundamentally change the nature of that cover is likely to be unfair. If ELICO adds wide-ranging exclusions that may prevent her from claiming up to the benefit limit, that would restrict her cover unfairly and limit her ability to use the policy.

ELICO says it reserves the right to add exclusions based on any additional risk arising from claims Miss H has made once the vets' fees cover limit is reached. Although ELICO says the exclusion doesn't prevent her continuing to claim for these two conditions, the exclusions apply to all claims for heart conditions and for anaemia (and all related conditions) as from May 2025. So from that date on she can't claim for any of these.

Miss H is entitled to claim for any illness or condition up to the benefit limit, but these exclusions would severely restrict the cover she has. Once Miss H has claimed up to the benefit limit for the two specific conditions she has claimed for, it would be fair to add an exclusion. So, one she has claimed up to the £5,500 limit for hypertrophic obstructive cardiomyopathy, and for severe non regenerative anaemia, ELICO may add an exclusion for each of those specific conditions, from that date onwards. It should not add exclusions before then, or add exclusions that are wider than the conditions or illnesses that have been claimed for.

With regard to the deduction, the policy terms set out various limits on the amounts that may be claimed for vets' fees. These include a limit of £90 for a specialist referral. The consultation fee was paid in line with the relevant limit and I think it was reasonable to make the deduction of £130.

When the exclusions were added to her policy, Miss H was left thinking she would not have the level of cover that she should have. This was upsetting and I think it's fair to compensate her for that, and for the inconvenience she has been caused.

### **My final decision**

I uphold the complaint and direct EQUINE AND LIVESTOCK INSURANCE COMPANY LIMITED (THE) trading as The Insurance Emporium to:

- remove the exclusions for "heart conditions and all related conditions" and "anaemia and all related conditions"; and

- pay £100 compensation to recognise the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 14 April 2025.

Peter Whiteley  
**Ombudsman**