

## **The complaint**

Mrs C complains that Casualty & General Insurance Company (Europe) Ltd (“C&G”) unfairly declined a claim under her pet insurance policy.

Where I refer to C&G, 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.

Mrs C holds a pet insurance policy for her dog ‘D’, underwritten by C&G, effective from 1 April 2024.

In October 2024, Mrs C made a claim for the removal of a lump. But C&G declined it on the basis D had the lump prior to the start of the policy, so it was deemed a pre-existing condition.

Mrs C didn’t think this was fair. Whilst she doesn’t dispute that D has had the lump for several years, she says that prior to the start of the policy the lump caused no issues and didn’t require treatment. It was only in October 2024 when the lump became inflamed and infected that it became a concern, and she took D to the vet.

The treating vet has written to C&G stating that the lump required no treatment prior to October 2024 and wouldn’t have needed removing at all had it not become inflamed as doing so would’ve been unethical.

C&G maintained its rejection of the claim, so Mrs C brought her complaint to our Service. And our Investigator upheld it as she didn’t think C&G had acted fairly in the circumstances. She recommended that C&G pay the claim plus interest and compensation.

As C&G don’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 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’ve kept this in mind when considering Mrs C’s complaint.

When making a claim under an insurance policy, the onus is on the policyholder to prove they have a valid claim. If they do, the insurer should cover the claim unless it can prove that a policy condition or exclusion applies.

In this case, Mrs C has shown that her dog required treatment for an inflamed skin mass, presumed to be a papilloma, which is something the policy provides for. So, on the face of it, she's demonstrated that she has a valid claim.

As C&G seek to rely on a policy exclusion, the onus is on it to show the exclusion applies. The relevant policy terms say:

*"Section 1: Veterinary Treatment  
What you are not covered for...any pre-existing condition."*

The policy provides the following definition:

*"Pre-existing condition means any diagnosed or undiagnosed condition, related condition or bilateral condition which has happened or has shown signs or symptoms of existing in any form in the last 24 months before the policy start date or within the waiting period. We can start covering some conditions again if they haven't needed – or been recommended to have – treatment from you or the vet in the last 24 months. If a vet says a condition does need treatment during this time, and you delay getting it, we won't cover that condition. We do not cover any pre-existing chronic conditions; for example, diabetes, arthritis and epilepsy."*

C&G seek to rely on the following entry in D's medical records:

*10/10/2024 RF has presumed papilloma lesion near carpus. Present for ?3 years. Never bothered but recently looked inflamed and been nibbling / licking. Discuss option removal under GA. But try to cover with sock to prevent self trauma and Abs.*

C&G sought clarification from Mrs C about the time frame given in the vet notes. And she confirmed that D has had the lump for two to three years.

On a strict interpretation of the policy terms, based on this vet note and Mrs C's testimony, the lump is a pre-existing condition because it was present on the dog before the policy cover started.

However, my role is not only to determine whether C&G's decision was in line with the policy terms, but also whether the way the policy terms were applied was fair and reasonable in the circumstances of the claim. And I don't think it is. I'll explain why.

When considering whether a condition can be fairly excluded as pre-existing, our Service will always consider whether the consumer knew – or ought reasonably to have known – there was something wrong that was likely to lead to investigation / treatment before the policy started.

Mrs C says the lump was insignificant and wasn't causing any issues prior to her claim. And this is supported by the testimony of the treating vet who says:

*"The skin growth had been present for up to 3 years without causing any issue and without a need to remove it. The lump would not have needed removing had it not become inflamed...It would not have been ethical to remove the lump 3 years ago when it first appeared."*

Based on the evidence provided, whilst I'm satisfied the lump existed prior to the start of the policy, I'm not persuaded Mrs C had any cause to think D might need investigation /

treatment because of it. This is supported by the fact that 1) no investigation / treatment was required prior to October 2024 and this was only needed because the lump changed (became inflamed) 2) prior to October 2024 there is no mention of the lump in the vet notes which shows that Mrs C was unconcerned by it, and 3) the treating vet says the removal of the lump prior to October 2024 would've been unethical which shows it wasn't necessary.

I'm also mindful that the policy's definition of pre-existing conditions says that C&G can start covering conditions if they haven't needed treatment in the last 24 months – which is the case here.

For these reasons, I don't think C&G has acted fairly and reasonably when declining this claim as a pre-existing condition.

This is in accordance with our long-standing approach, which C&G will be aware of through previous decisions issued by this Service. It's important to highlight that under Consumer Duty, C&G are required to learn from our decisions and it's disappointing to see that it hasn't.

### **My final decision**

For the reasons I've explained, I uphold this complaint and direct Casualty & General Insurance Company (Europe) Ltd to:

- pay Mrs C's claim, minus any policy excess and up to the policy limits, plus 8% simple interest per annum from the date Mrs C paid the vet until the date she is reimbursed.
- pay compensation of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 15 April 2025.

Sheryl Sibley  
**Ombudsman**