

The complaint

Mrs W complains that U K Insurance Limited (“UKI”) unfairly declined a claim under her pet insurance policy.

Where I refer to UKI, 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 W holds a pet insurance policy, underwritten by UKI, effective from 7 December 2019.

In January 2024, Mrs W’s dog was diagnosed with Otitis Externa and required treatment. So Mrs W made a claim to UKI for the associated vet fees.

But UKI declined the claim. It said Mrs W’s dog had suffered from ear problems in December 2019 during the first 14 days of the policy where no claims are covered, and it believed the Otitis Externa was a continuation of the same condition. As such, it said this was a pre-existing condition which is excluded under the policy terms.

Mrs W raised a complaint which she brought to our Service. But our Investigator didn’t think UKI had acted outside of the policy terms or unfairly. As Mrs W didn’t agree, the complaint was passed to me to decide, and I issued the following provisional decision.

My provisional decision

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.

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.

Mrs W has shown that her dog required treatment for Otitis Externa, which is something the policy provides for. So, on the face of it, she’s demonstrated that she has a valid claim.

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

“We won’t cover:

- 1. any claim for or in connection with any illness arising during the first 14 days of your pet being covered.*
- 2. any claims in connection with or arising from any pre-existing condition.*
- 3. Any claim for a recurring condition that’s in any way connected to or as a*

result of:

- i. a pre-existing condition.
- ii. any illness that arose within the first 14 days of your pet being covered under this insurance.”

The policy provides the following definitions:

“Pre-existing condition – any condition or symptoms, or signs of injury or illness, that happen or exist in any form before the pet was covered by this insurance.”

“Recurring condition – a condition that may come back or that the pet is prone to, no matter how many times the condition comes back or how many areas of the body are affected.”

UKI say the vet notes point towards an allergy and scratching/itchiness which had been ongoing for a long time. It relies on the following entries in the medical history:

- 10 Dec 2019 Itchy ears and some head shaking. Ears – hairy, narrow canals so likely predisposed to ear problems, difficult to assess with otoscope – discharge but no inflam seen, no odour. Plan: ears – to try cleaner for a couple of weeks to see if this controls discharge, if still scratching may need to use medicated drops.*
- 27 Jan 2020 Presented with complaint of shaking head + scratching ears. Right ear seems worse + is starting to smell. Owners battle to clear ears as [dog] very nervous. Very difficult to examine ears as fighting excessively. Thick wax and hair in right ear – cannot evaluate TM. Had waxy ears in December. Advised sedation to examine, pluck + flush ears + possibly treat with osurnia.*
- 29 Jan 2020 Sedated with medetomidine + butorphanol. Required incremental alfaxalone to fully flush ears. Right ear very waxy and malodorous. Swabs taken for C+S and ear cytology from right ear. Right ear plucked and flushed with saline. Applied osurnia as very nervous dog and difficult to deal with when conscious. Left ear - small amount of wax present but ear canal filled with hair. Plucked ear canal + flushed with saline. Applied Osurnia. Both ear canals inflamed - treat with course of steroids.*
- 5 Feb 2020 Ears look better, applied 2nd osurnia to both. May need skin allergy testing.*
- 24 Feb 2020 Doing ok but Tilly seems to be scratching a bit again. Bright in consult - does not like examination of ears - behavioural. Ear exam - much improved - small amount of waxy build up. Long discussion about likely underlying allergies. Long discussion about different blood tests, food trials, etc.. Owners keen for screening bloods + treatment with Apoquel while waiting for results.*

UKI say these ear problems – which were thought to be caused by an underlying skin allergy – are the same or linked to the condition claimed for in January 2024. But I’m not persuaded they are. I’ll explain why.

Mrs W adopted her dog from a rehoming shelter on 7 December 2019 – the day she took out her insurance policy. I’ve no details of the conditions the dog lived in prior to being rehomed,

but given the condition of the ears (hairy, itchy, some discharge) I think it's fair to say the dog wasn't well groomed.

After the ears were plucked of hairs and flushed, the problems with the ears seemed to be resolved based on the vet notes in February 2020. This is supported by the fact that, whilst the skin allergy continued and was managed under apoquel, the problems with the ears didn't reoccur. In saying this, I rely on the following entries in the medical history:

29 May 2021 Ears: clean and clear

17 Sept 2021 Ears [no abnormality detected]

17 Mar 2022 Ears: clean and clear

8 Mar 2023 Eyes, ears, mouth nothing abnormal detected

2 May 2023 Ears clear

In Jan 2024, Mrs W's dog was presented with smelly ears and was scratching. Both ears were inflamed. The diagnosis was Otitis Externa.

Whilst these are similar symptoms to those experienced in January 2020, it's not enough to simply say there is a connection. UKI need to show, on balance, that they're connected. And it hasn't provided a reasonable explanation as to why Mrs W's dog would have four years of no ear problems if the Otitis Externa arises from the same underlying problem as the previous issues. Especially as the skin allergy continued throughout this period and Mrs W's dog remained on apoquel the entire time.

The advice provided by Mrs W's vet is that the conditions aren't linked. They say:

"I do not agree with your opinion that the claim from January 2024 is in any way linked to the ear condition that [dog] had in December 2019. This condition started just after they first rescued her and I suspect is most likely due to the change of environment/new food, or any other number of changeable reasons.

In going through her notes she has had several check-ups where repeatedly the ears are mentioned as being checked and nothing was found to be wrong.

If these conditions were linked in any way then [dog] would have had recurring ear problems since [Mrs W] had her. This has not been the case and as shown above, regular check-ups have proved that nothing has been wrong with the ears. It is far more likely that [dog] got her ears wet due to adverse [weather] which then resulted in a secondary [infection]."

On the evidence available, I'm not persuaded that UKI has satisfactorily shown that the Otitis Externa of January 2024 is the same or linked to the ear problems of January 2020. So it follows that I'm not satisfied its applied the policy exclusions for pre-existing or recurring conditions fairly.

Responses to my provisional decision

UKI doesn't agree with the provisional outcome I've reached. It says the reason there has been no ongoing mention of Ms K's dog's ears is because it has been taking ongoing medication to keep the symptoms at bay.

Whilst Mrs W accepts the outcome I've reached in respect to her claim, she's asked that I reconsider the amount of compensation awarded. She says £150 doesn't fairly reflect the length of time this complaint has been ongoing and the distress it's caused. In addition, she's cancelled her pet insurance with UKI as she lost trust and confidence in its ability to provide fair insurance coverage, leaving her uninsured and left to face the financial burden of future treatment.

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'm aware I didn't specifically mention the vet nurse's opinion, provided by UKI, in my provisional decision. To clarify, I've read and considered all the information and evidence both UKI and Mrs W have provided to our Service, although I don't intend to comment on all of it. Instead, I'll focus on what I consider to be the key points. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

As I've explained in my provisional decision, I'm aware Mrs W's dog had an ongoing skin allergy which has been treated by apoquel. This isn't disputed. But from the information I've seen, no problems with the dog's ears presented between February 2020 and January 2024. So it's difficult to establish a link between the skin allergy (which has been ongoing) and the ear condition (which resolved four years prior).

UKI say I've missed the point, because Mrs W's dog was taking ongoing medication to keep the symptoms at bay. But Mrs W's dog didn't stop taking apoquel at any point leading up to the diagnosis of Otitis Externa in January 2024. So, if the apoquel was the reason why the ear problems didn't return for four years, why did they return at all? And why did the skin allergy continue? No reasonable explanation has been provided and there isn't a clear and logical connection between the two ear problems spanning four years apart. That is the point.

I appreciate Mrs W is disappointed with the amount of compensation awarded for the distress and inconvenience she's been caused. But I'm satisfied this is in line with our approach to compensation awards and I won't be increasing it. I'll explain why.

Mrs W raised her claim in January 2024. And by February 2024, UKI had answered it and provided its final response to Mrs W's subsequent complaint. It gave Mrs W her rights to refer her complaint to our Service, which she did in June 2024. I haven't identified any delays on UKI's part. However, I'm aware Mrs W has been without the claim settlement – which I consider she was entitled to – for over a year now. And the interest I've awarded on the claim settlement is to recognise the time she's been without these funds.

Whilst I recognise Mrs W has lost trust and confidence in UKI after its decision on this claim, it was ultimately Mrs W's choice to cancel her pet insurance and take on the financial burden of future treatment for this condition. She did this prior to the conclusion of her complaint, and ultimately it isn't something I believe UKI should compensate for.

My final decision

For the reasons I've explained, I uphold the complaint and direct U K Insurance Limited to:

- pay this claim, minus any policy excess and up to the policy limits, plus 8% simple interest per annum from the date Mrs W paid the vet until the date she is reimbursed,

- pay compensation of £150 for the distress and inconvenience Mrs W has no doubt suffered as a result of having her claim incorrectly and unfairly declined.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 18 April 2025.

Sheryl Sibley
Ombudsman