

## **The complaint**

Mrs S and Mr H complain Royal & Sun Alliance Insurance Limited unfairly declined a claim made on a pet insurance policy,

Mrs S has dealt with the claim and complaint, so for ease I will refer to her below.

## **What happened**

The following provides a summary of what happened, it isn't therefore a detailed timeline, nor does it include all the events that happened. I've concentrated on what I believe to have been the main events that led to this complaint.

Mrs S took out a policy for her dog, who I'll refer to as "B" on 6 January 2024.

On 13 January 2024 Mrs S took B to the vet for a routine examination and in that she mentioned B had been limping after visits to the park. The veterinary notes record B's kneecaps ("patella") weren't moving as they should. The possibility of kneecaps moving out of alignment/dislocations ("patella luxation") was recorded as being discussed with Mrs S and she was advised if this happens more often then x-rays and imaging may need to be taken.

In June 2024 Mrs S took B back to the vet as he'd again been limping after visiting the park. The vet recommended imaging be done. The x-rays showed both kneecaps were misaligned, with the right more so than the left. The vet recommended B was referred to a specialist vet and he subsequently underwent surgery. Mrs S made a claim to RSA for the costs of this.

RSA considered the claim but declined it on the basis that in the first 14 days of the policy B had shown signs or symptoms of the later diagnosed illness which led to the claim. It explained the policy had an exclusion which means it would not pay for any subsequent claims where this had happened. Mrs S disagreed with RSA and complained; however, it didn't change its position. Mrs S brought her complaint to this Service.

An Investigator considered the complaint but explained to Mrs S they thought RSA had acted reasonably in declining the claim due to the exclusion.

Mrs S disagreed and asked for an Ombudsman's decision. She reiterated that B hadn't been diagnosed with any illness in the first 14 days after taking out the policy. The misaligned kneecap was a result of a physical abnormality rather than an illness.

The case was passed to me to decide.

## **My provisional findings**

I issued my provisional findings on 7 March 2025; I said I intended to uphold the complaint for the following reasons:

*"The policy term in question says, under a title about what isn't covered by the policy:*

*“Health issues, concerns, illnesses and injuries which you or your vet were aware of before you took out the policy, they are known as pre-existing conditions, they are:*

- signs or symptoms of diagnosed or undiagnosed injuries or illnesses;*
- existing illnesses or injuries;*
- existing physical abnormalities;*
- existing illnesses, injuries or physical abnormalities which lead to other health issues or injuries;*
- illnesses or injuries which are medically linked to existing illnesses, injuries or physical abnormalities.*

*We consider the following to also be pre-existing conditions: .....*

*Illnesses which you or your vet were aware of in the first 14 days of your policy first starting, or any illness that develops from them. By illness we mean, both diagnosed illness and signs or symptoms of illness (undiagnosed illness”)*

*RSA has said as the issues with B’s kneecaps were noticed within the first 14 days of the policy, any claim that resulted from those issues would be declined, in line with the policy terms. It explains that the kneecap shifting out of alignment isn’t caused by an injury but an abnormality in the development of the bone/joints, therefore it would always, for the purposes of the policy, class this as an illness.*

*The word illness isn’t defined in the policy terms and therefore I’ve had to consider the common understanding of the word. Several definitions can be found such as, a disease of the body or mind, a condition where the body is harmed because an organ or part isn’t functioning as it usually does or, a disease or sickness.*

*Given there are differing definitions, I’ve gone on to think about whether a dislocated kneecap would generally be thought of as an illness. And I don’t think it would be. I think, more likely than not, most individuals would generally consider it to be an injury or a condition resulting from a physical abnormality. When referring to having an illness, I think most individuals would normally be referring to having a disease, an infection or feeling/being sick.*

*I’ve also considered the fact that within the policy terms RSA has itself separated out the terms injuries, illness, and physical abnormalities when talking about pre-existing conditions. This suggest that it does consider them to be different things.*

*In this case, as RSA has said, B’s kneecap has shifted out of alignment due to a physical abnormality. The policy terms do not exclude claims that result from physical abnormalities noticed within the first 14 days of the policy and therefore I don’t think RSA has acted fairly in declining the clam.*

*I do recognise that the aim of these policy terms is for RSA to avoid paying for any claims resulting from things that were known about before the policy coming into force or those which occurred in the first 14 days. And these aren’t unusual terms in respect of most insurance policies. However here, I’m not persuaded the policy terms, as written, support RSA’s interpretation of them in relation to the circumstances of the claim that Mrs S has presented for B. I intend to direct that RSA consider the claim in line with the remaining terms and conditions of the policy.*

*I recognise the claim being declined would have caused worry to Mrs S, at a time when she was also concerned about B. Mrs S has also explained the RSA declining the claim put her family under considerable financial pressure causing further stress and anxiety. Having*

*reviewed everything, I think RSA should pay Mrs S £200 compensation to reflect the impact its actions have had. In addition, should it go on to accept the claim, I intend to direct RSA add interest on any amounts paid to Mrs S and Mr H.*

## **Responses to my provisional findings**

Mrs S and Mr H said that they accepted my findings.

RSA responded saying it did not accept my provisional findings. It provided three definitions of the word illness and pointed out that they referred to the word disease. It said that veterinary professionals across the industry acknowledge that Patella Luxation is caused by a disease and provided a reference to an article which it said supported this. It confirmed it's in house vet had reviewed the evidence again and was satisfied that the symptoms that were noted within the first 14 days of the policy are clinically linked to the later diagnosis.

## **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've read the definitions RSA has provided. As I explained in my provisional decision there are differing definitions of the word illness. I appreciate RSA has picked out that the word disease appears in them, however if you look up the word disease, it also has several definitions which link back to the words sickness and illness. So, these definitions are cyclical and that isn't helpful here.

RSA has referenced an article which says supports that the veterinary industry acknowledges Patella Luxation is caused by a disease. While I don't doubt the provenance of the article RSA has referenced, I have also seen articles which refer to it being caused by a physical abnormality. And I remind RSA that in its original decline of the claim it stated B's kneecap had shifted out of position due to a physical abnormality, not that B was suffering from a disease.

The article RSA has referenced describes dogs with Patella Luxation likely having a shallow femoral groove or a general misalignment of the limb. It then later goes on to explain that the more frequently the joint dislocates the more damage it can do to the surrounding tissues, causing further issues. It says the clinical signs of it vary depending on the extent of the disease.

In my mind, taking into account all of the evidence I have seen, it could be said that Patella Luxation itself is caused by a physical abnormality but the progression of it to varying 'grades' could be referred to as being a disease. But that also doesn't help RSA here, as to exclude the claim for the progression of the disease, RSA would need to show Mrs S knew of the physical abnormality before the policy started and there is no evidence that she did. In the first 14 days of the policy the terms specifically only refer to illnesses that are known of.

I think it is important to note here that policy terms should be clear, fair, and not misleading, to allow a policyholder to fully understand what is or isn't covered by the policy. In my provisional decision I set out that RSA's policy terms for pre-existing conditions separates out existing illnesses, injuries or physical abnormalities and they have to be known about in order for the exclusion to apply. That exclusion only extends to the first 14 days of the policy for illnesses. So I think it is clear RSA has recognised these are all different things.

Taking everything into account, when considering the specific circumstances of this case against the policy terms and conditions, I'm not persuaded that RSA has fairly declined the

claim.

### **Putting things right**

For the reasons above, I uphold Mrs S and Mr H's complaint against Royal & Sun Alliance Insurance Limited. I direct that it does the following to put things right:

- Reconsider the claim in line with the remaining terms and conditions of the policy.
- Should it go on to accept the claim, it should add 8% simple interest per year on any amounts it pays to Mrs S and Mr H calculated from the date they paid the respective invoices to the date payment is made to them.
- Pay Mrs S and Mr H a total payment of £200 compensation.

Royal & Sun Alliance Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs S and Mr H accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If **RSA considers** that it is required by HM Revenue & Customs to withhold income tax from that interest, they should tell **Mrs S** and Mr H how much it has taken off and give **Mrs S** and Mr H a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

My final decision is that I uphold Mrs S and Mr H's complaint against Royal & Sun Alliance Insurance Limited. I direct it put things right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr H to accept or reject my decision before 22 April 2025.

Alison Gore  
**Ombudsman**