

The complaint

Mr C complains that Alwyn Insurance Company Limited didn't pay the full amount of a claim on his pet insurance policy.

What happened

Mr C bought his pet dog from a breeder in 2018. Sadly, in 2024 his dog became ill and was to put to sleep. He claimed on his policy, which included cover for the death of a pet up to a policy limit of £1,000.

Alwyn declined that claim. It said the policy terms require the original purchase receipt to be provided and Mr C didn't have the receipt. Where no receipt is available, the policy terms say the amount to be paid is the lower of the purchase price or £100. Alwyn said it would only pay £100.

Mr C complained but Alwyn didn't change its decision.

When he referred the complaint to this Service, our investigator's initial view was that the claim had been paid in line with the policy terms.

After considering further information from Mr C, he said the payment of £100 wasn't fair as Mr C had provided other proof of purchase.

Alwyn didn't agree and has requested an ombudsman's decision. It says:

- The receipt is named in the policy terms as a requirement and any other document is not sufficient.
- Although Mr C has provided a document showing the purchase price, without the actual proof of purchase it can't be sure the information is accurate.

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 relevant industry rules and guidance say insurers must deal with claims promptly and fairly, and not unreasonably reject a claim.

The policy includes cover for death from illness or injury. Mr C's dog was five years old and for a pet of that age, a payment will be made of 35% of the purchase price. But this is subject to providing the evidence needed, which includes the original receipt. The policy terms say:

"If You are unable to provide the original receipt for Your Pet showing the purchase price then We shall pay the lesser of the purchase price You declared as shown in Your schedule or a fixed £100 for Your dog..."

It is clear from this that the original receipt is to be provided and, without that, the payment will be limited to a maximum of £100. Alwyn says its decision is in line with the policy terms.

Alwyn has applied the policy term strictly. I have considered whether this is fair and I don't think it was fair to apply the policy term so strictly in this case, because:

- It's reasonable to require proof of purchase but the purpose of this is so the insurer can be satisfied what the original purchase price was.
- It's not surprising Mr C wasn't able to provide the original receipt, given the number of years that passed between the purchase and the claim on the policy.
- He has provided other documents, including the owner's registration certificate and schedule of insurance. He's explained that these documents were provided to him by the breeder. They confirm when he bought his dog, details of the breeder and the price paid.
- If Mr C hadn't provided those documents, or if the documents didn't include the information needed, then it would be fair to apply the reduced limit. But Alwyn does have evidence to show the purchase price, which is what it needs to assess the claim.
- It wouldn't be fair in these circumstances to reduce the claim on a technicality, when not having the specific document hasn't prevented Alwyn from dealing with the claim in the same it would have, if the receipt was available.

Based on the available evidence, 35% of the purchase is £525, so that's the amount that should be paid. Interest should also be added from 28 November 2024, the date of Alwyn's decision on the claim.

Mr C had to deal with the distress caused by death of his dog. To then find that his claim wouldn't be paid in full caused unnecessary further distress and inconvenience. It's fair that he should be compensated for this.

My final decision

I uphold the complaint and direct Alwyn Insurance Company Limited to

- Settle the claim in line with the policy terms with a payment of £525, (less any excess and any payment that has already been made) together with interest from 28 November 2024 to the date of payment at 8% a year simple.*
- Pay compensation of £100.

* If Alwyn Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 May 2025.

Peter Whiteley
Ombudsman