

## The complaint

Mrs B complains Casualty & General Insurance Company (Europe) Ltd turned down a claim she made on her pet insurance policy.

## What happened

Mrs B has pet insurance for her dog (C) which covered vet fees up to an annual limit of £8,000. From April 2023 C has received treatment for a type of cancer. Claims for that were paid by C&G up to the policy limit. In November 2023 Mrs B made a mid-term adjustment to her policy increasing the limit to £16,000. C&G said that meant she could claim up to that limit for any new condition but the cover available for a condition that started before the upgrade would remain at £8,000.

Following the policy renewal in March 2024 Mrs B made further claims for C's cancer treatment which were paid up to the £8,000 limit. After surgery in July 2024 C experienced regurgitation problems following his discharge which required further treatment and the insertion of a feeding tube. Mrs B made a claim for those costs but C&G turned this down. It thought the regurgitation problem had been caused by treatment C received for his cancer and so was linked to that. As a result the £8,000 limit would apply and it had already paid up to this level for that policy year.

Our investigator thought that, based on the veterinary evidence, it was reasonable of C&G to conclude the regurgitation problem resulted from the surgery C received in July 2024. And that treatment had been for cancer. Taking into account the policy definition of related condition he thought it was reasonable of C&G to say the claim Mrs B made was related to the previous cancer claim. And as it had already paid up to the policy limit for that condition he thought it had acted correctly and fairly in turning down the claim she made.

Mrs B didn't agree. She made detailed comments (all of which I've read). In summary:

- The regurgitation problem had only been identified after C had been discharged following his surgery which she meant it was less likely it was caused by that (in previous correspondence she'd identified other possible cause of this specific to C's breed).
- She queried what terms were being relied on when considering her claim as those on C&G's website and in her customer portal were undated. And she thought any ambiguity that created in relation to the terms should be read in her favour in accordance with the 'contra proferentem' rule.
- The veterinary evidence showed there was no direct link between the regurgitation issues and the cancer that C had been treated for. And the policy language was ambiguous in relation to the definition of a related condition and didn't address the position here where complications had resulted from a standard procedure. She didn't accept it was fair to classify anaesthesia-induced regurgitation as related to the cancer treatment when there wasn't a direct link between the two.

- She cited case law and previous decisions from our service which she said supported her position on that and reiterated that any ambiguity in the insurance contract should be read in her favour. And she thought a policyholder would reasonably expect complications arising from a standard procedure such as anaesthesia to be covered unless they were specifically excluded. She highlighted the financial and emotional impact the decline of her claim had on her.

So I need to reach a final 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.

The relevant rules and industry guidelines say C&G has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably.

I appreciate this has been an extremely distressing time for Mrs B when she's had to make difficult decisions about ongoing treatment for C. I recognise the impact that's had on her in both emotional and financial terms and I was sorry to learn how challenging things have been. But the issue for me is whether C&G did anything wrong in turning down the claim she made. In considering that I've looked first at the terms and conditions of Mrs B's policy. There's no dispute the cancer treatment C received is covered and C&G has paid up to the policy limit for that. The issue is whether indemnity remains available for the subsequent treatment C received for his regurgitation issues.

The policy says *"When your pet suffers from a bilateral or related condition, these will be considered as one condition when applying the maximum benefit limit and any applicable excess"*. It defines 'related condition' as a *"condition that relates to a recurring illness and/or injury; or related to a previous illness and/or injury or caused by a previous illness and/or injury. When applying the maximum benefit limit and any applicable excess, any treatment for a related condition will be considered as one condition regardless of when the treatment occurred."*

Mrs B has questioned the policy wording which would apply to her claim. However, I'm satisfied the wording I've quoted is from the relevant policy. The policy provides cover for treatment a pet receives during the policy year. And the wording of the terms I've referenced quotes Mrs B's policy terms and say they are valid from March 2024 until March 2025. As C's treatment falls within that period it's those terms which apply to this claim.

Mrs B has suggested the policy wording is ambiguous. But I think it's clear. Under the terms of the policy C&G will consider as one condition (with one policy limit) any illness that relates to or is caused by a previous illness. So I don't agree with her that the 'contra proferentem' rule applies to the claim she's making. I think the question is whether C&G has applied the policy term correctly and fairly in relation to that claim.

It's clear to me the surgery C had in July 2024 was related to the previous treatment he'd received for cancer. The notes from the treating veterinary hospital say previous investigations had revealed *"metastatic spread of the tumour to the right medial iliac lymph node"*. That was treated with an inhibitor but in July it was found that *"our investigations have revealed that [C's] right medial iliac lymph node has grown in size..."* And *"after consideration, [C's] owners have opted to proceed with surgical removal of the lymph node followed by metronomic chemotherapy"* So costs associated with that would fall within the policy limit of £8,000.

The issue is whether that would also apply to the problems C experienced following that surgery. I accept that regurgitation issues could be caused by something else and C's breed may well make him susceptible to those. But the evidence doesn't suggest that is what happened in this case. I accept C didn't develop these problems until after his discharge from hospital. But Mrs B has identified that was likely because he was on IV medication while in hospital so only needed to swallow after his return home.

In any event C&G asked the treating hospital what the cause of the regurgitation problem was and they said "*the regurgitation was most likely secondary to anaesthesia and pain relief medications (e.g. methadone) resulting in slowing of the gastrointestinal motility with build-up of fluid in the stomach*". Given that I think it is likely there's a link between the problems C experienced following his operation and the anaesthesia and pain relief he was given as part of that surgery.

However, it's also clear there isn't a direct causal link between the cancer and the subsequent problems. In their response the treating hospital went on to say "*regurgitation is not a clinical sign associated with anal sac adenocarcinoma even with the presence of metastatic abdominal lymph nodes. Therefore, the regurgitation is not a direct result of the presence of anal sac adenocarcinoma*".

So the question is whether C&G was correct to say this was a related condition. Given the wording of the policy for that to be the case it would need to be caused by that previous illness or be related to it. I've already established it wasn't caused by it but I think it was related to it. The reason why C developed regurgitation problems was because of the treatment he'd received for cancer. If he hadn't received that treatment he wouldn't have had those problems. I think there's a close enough link between the cancer treatment and the problems that arose as a result of that treatment for C&G to say this was a related condition.

I've gone on to consider whether it's fair of C&G to rely on that to turn down the claim. In her submissions Mrs B referenced case law which she believed supported her position. I wasn't able to find the cases she mentioned and when we queried this with Mrs B she wasn't able to do so either. But she did also provide references of previous decisions from our service. She said these showed a clear precedent where claims had been paid where a new issue was considered clinically distinct and unrelated to the original condition.

Our decisions don't set a precedent and each case is decided on its individual merits. But I accept there is some read across from decisions Mrs B has highlighted to this complaint. In particular it seems to me a key issue is whether problems experienced following surgery are a natural and normal result of it. Or whether they were a consequence of it that couldn't reasonably have been foreseen or anticipated. In the latter case it might not be fair of an insurer to turn down a claim on the basis this was a related condition.

Ms B says the condition in this case was unexpected and had no prior history. I appreciate it may not have been something she anticipated occurring. But I don't think the risk of anaesthesia causing subsequent problems in dogs is unusual. For example, a study last year found 30% of dogs assessed experienced poor quality of recovery following anaesthesia. It concluded "*poor quality recovery is common in dogs recovering from general anaesthesia*". I also understand regurgitation problems are themselves relatively common in dogs following anaesthesia (though the severity of the issue can vary). Given that I don't think the problems which unfortunately impacted C following his surgery could reasonably be said to be unexpected or unforeseen. It follows that I don't think it was unfair of C&G to say this was a related condition for which the policy limit had already been reached.

**My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 May 2025.

James Park  
**Ombudsman**