

The complaint

Mrs B has complained that Royal & Sun Alliance Insurance Limited (“RSA”) declined a claim she made on her pet insurance policy.

Reference to RSA includes its representatives.

What happened

The circumstances aren’t in dispute, so I’ll summarise the main points:

- Mrs B took out a pet insurance policy for her cat, who I’ll call C. The policy was underwritten by RSA. It started in October 2024.
- Following concerns about C’s health, Mrs B took her to a vet. After investigation, C was diagnosed with lymphoma. Mrs B made a claim for the costs arising from C’s examination and treatment. She later had to put C down and incurred further costs. RSA declined the claim because it said the lymphoma had started prior to the policy.
- Mrs B complained. RSA maintained its position. It said all the costs claimed for related to a pre-existing medical condition, which meant they weren’t covered by the policy. Nonetheless, it paid Mrs B £200 as a gesture of goodwill.
- Our investigator thought RSA had acted unfairly. Though C had experienced a loss of weight and appetite before the policy began, he didn’t think RSA had shown Mrs B ought to have thought this was indicative of a pre-existing condition. As a result, he asked RSA to accept and settle the claim, plus interest, and pay an additional £100 compensation to make £300 in total.
- RSA didn’t agree. It said C’s weight loss had been significant from at least July 2024. And, when combined with C’s loss of appetite, the signs pointed to a medical condition. It provided comments from a vet to support its position.
- Our investigator considered the matter afresh but wasn’t persuaded to change his mind. He said Mrs B had been told C was overweight many years ago, so weight loss after that was to be expected – and not a clear sign of a medical condition. And neither C’s weight loss nor her decrease in appetite had been noted as a cause for concern prior to the start of the policy.
- RSA maintained its position and asked for the complaint to be referred to an Ombudsman. So it’s been passed to me.

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.

- Having done so, I’ll be upholding this complaint. I’ll explain why.

Relevant policy terms

- The policy covers the cost of vet fees, which includes the cost of examinations, consultations, surgery and the like. It also provides other cover, such as costs associated with the death of a pet.
- The policy doesn't cover vet fees if Mrs B, or her vet, were aware of a pre-existing condition when the policy was taken out. The policy says that includes signs or symptoms of diagnosed or undiagnosed injuries or illnesses. And illnesses or injuries that are medically linked to existing illnesses, injuries or physical abnormalities.
- In summary, RSA has declined the claims because it says all the vet fees and other costs are for, or related to, a pre-existing condition – lymphoma.
- C may have been suffering the symptoms of lymphoma prior to the start of the policy. But that's not what determines policy cover here. What matters is whether Mrs B, or her vet, were *aware* C was suffering from lymphoma prior to the start of the policy. RSA's policy is clear that such awareness includes any signs or symptoms of illness, including those undiagnosed.
- So I think the key question for me is whether Mrs B or her vet ought reasonably have been aware, before the policy started, that there was something wrong with C, that could lead to a condition and treatment. To answer that question, I'll consider the relevant medical history.

Relevant medical history

- I understand Mrs B noticed C had a cloudy eye in October 2024, and that was part of the reason for taking her to the vet. After further examination, C was found to be blind, and this was thought to have been caused by her lymphoma. RSA considered whether Mrs B was, or ought to have been, aware of this symptom before the policy started. It found no evidence to support this. As a result, RSA's focus has been on C's loss of weight and appetite.
- In 2021, the vet said C was overweight. Over the next three years, C's weight gradually reduced from around 5 to 4.25kg. I don't think RSA is suggesting this weight loss should have given Mrs B any cause for concern.
- From July 2024 to October 2024, C lost around a further 0.5kg, or 13% of her weight. It's this weight loss that RSA says should have alerted Mrs B to a potential problem – and sooner than October 2024.
- The medical history shows Mrs B took C for a regular check up in July 2024. The vet's notes don't indicate that any problems, or potential problems, were observed at that time. So there's no suggestion Mrs B ought to have had any cause for concern about C's health in July 2024.
- The next entry in the medical history is in October 2024, when Mrs B took C to the vet due to concerns about her health. The vet's notes say C was 'not eating as much as usual, weight loss not intentional'. In November 2024, the vet's notes say C's appetite had been 'decreasing over months' and Mrs B had noticed C's gradual loss of appetite and weight over the previous year.

- The vet's notes from those times don't suggest C's loss of appetite and weight were clear signs or symptoms of lymphoma – or any other condition – or a cause for concern more generally.
- It's not in dispute that C lost weight over several years and her medical history shows the degree of weight loss increased from around July 2024 onwards. There was also a loss of appetite around that time. So I can understand why RSA's vet has noted this combination of symptoms and said they were signs of a problem. Whilst in hindsight that may be the case, that doesn't necessarily mean Mrs B or her vet would reasonably have been aware there was cause for concern at the time.
- C had gradually been losing weight in a planned manner, up to and including summer 2024. Weight loss continued into October 2024, though the rate of loss increased. And a loss of appetite developed during 2024 too. But I don't think these things happened suddenly, or sufficiently quickly or severely, such that Mrs B ought to have considered them a cause for concern before the policy started. Crucially, the treating vet's notes don't suggest this at all. And, in my view, they were the best placed professional to provide such an opinion.
- In these circumstances, I'm not satisfied RSA has shown Mrs B or her vet ought reasonably have been aware, before the policy started, that there was something wrong with C, that could lead to a condition and treatment. As a result, I'm not satisfied RSA acted fairly when it declined the claim.

Putting things right

- RSA should accept the claim and settle it, subject to the remaining terms and conditions of the policy. That includes any relevant excess and/or policy limit.
- As Mrs B has already made payments for the examinations, treatments, and other costs, settlement will have to take the form of a cash payment. As Mrs B has unfairly been without the money for a period of time, interest should be added in line with the usual approach of this Service.
- It's clear RSA has caused Mrs B distress and inconvenience at an already upsetting time. Whilst it's not responsible for C's deterioration in health and the impact of that on Mrs B, it is responsible for handling a claim fairly and reasonably – and I'm not satisfied it's done that. As a result, it's avoidably added to her distress. To put that right, I think £300 compensation in total is reasonable. I understand £200 has already been paid, so that leaves £100 remaining if so.

My final decision

I uphold this complaint.

I require Royal & Sun Alliance Insurance Limited to:

- Accept the claim and settle it, subject to the remaining terms and conditions of the policy, by making a payment.
- To that payment, add interest at 8% simple per annum, from the date(s) Mrs B paid the costs to the date of settlement*.
- Pay a total of £300 compensation.

*If RSA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs B how much it's taken off. It should also give Mrs B a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

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 Neville
Ombudsman