

## **The complaint**

Miss W complains West Bay Insurance Plc (“West Bay”) has unfairly part of a claim made on her pet insurance policy.

Any reference to West Bay includes the actions of its agents.

## **What happened**

The circumstances of this complaint are well known between parties. And as our Investigator detailed what had happened in their view, I won’t repeat events here. Instead, I will focus on what I consider key to determining this complaint, and the reasons for my 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 industry rules and guidance say insurers must deal with claims promptly and fairly, and support consumers to make a claim. They also shouldn’t unreasonably decline a claim.

West Bay has said treatment in 2024 for Miss W’s dog’s (“Y”) lipomas isn’t covered because the condition of “lipoma” started in 2021, before the policy inception in 2022.

The policy terms say:

*“Any health problems your pet has shown symptoms of, or has received treatment (whether diagnosed or undiagnosed) will be treated as a pre-existing condition and you cannot claim for these.”*

And it defines “pre-existing condition” as:

*“Any illness or injury or complication directly resulting from another injury or illness, whether diagnosed or undiagnosed or that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance.”*

It’s not unusual for an insurer not to cover pre-existing conditions. If it’s clear the condition being claimed for was present before the policy started, it’s generally fair to exclude cover for that specific condition.

What’s in dispute here are treatment costs for a lipoma on Y’s right side, and a lipoma on Y’s left side. Miss W had said she was told by West Bay - when discussing her policy renewing - that lipoma would be covered, but having listened to the calls from this time, I don’t agree this was said. The adviser said conditions which started before the policy wouldn’t be covered, and that she couldn’t guarantee the outcome of any claim.

So, what I need to consider is whether West Bay has fairly applied the pre-existing medical condition exclusion it seeks to rely on to decline cover for Y's lipomas.

### *Right side lipoma*

Our Investigator was satisfied the lipoma on Y's right side was a pre-existing condition and that West Bay had therefore, fairly declined to cover these treatment costs. Miss W, in response to the view, accepted this.

I agree West Bay acted fairly in considering the right-side lipoma a pre-existing condition because Y's medical notes show the lipoma recurred in 2024, having been initially diagnosed in 2021. The medical notes from August 2021 say: "*Lump RHS over R hip about golf ball size and q firm [...] fat droplets on slide so lipoma and no need to send away.*" So, I won't be directing West Bay to cover these treatment costs.

### *Left side lipoma*

West Bay has said it won't cover treatment for the lipoma on Y's left side because it has the same medical diagnosis – namely "lipoma" – as the lump on Y's right side, which was diagnosed before the policy started.

But what's key is whether the lipoma on Y's left side has the same underlying cause as the one on Y's right side. Lipomas can have different causes and so, it's not enough for West Bay to decline cover simply because the medical diagnosis is the same.

Our investigator didn't think West Bay had shown the lipomas were connected. And I agree. I say this because: West Bay hasn't provided expert evidence to show the lipoma on Y's right side from 2021 has the same underlying cause as the left side; the lipomas have differing histology – one being an infiltrative lipoma, the other being non-infiltrative; the left lipoma appeared some years after the right side.

So, I'm not persuaded West Bay has shown the lipomas have the same underlying cause. In these circumstances it wouldn't be fair to treat this as a pre-existing condition and West Bay should therefore, settle these treatment costs.

### *Excesses*

West Bay covered treatment for fibroadnexal dysplasia (which was treated at the same time as the lipomas). As this is a separate condition to the lipoma, it's fair for West Bay to apply a separate excess - doing so, is in line with the policy terms.

### *Compensation*

Understandably, her pet needing treatment would have been upsetting for Miss W and I don't doubt this was made worse when she was told part of the claim wasn't covered, leaving her with an outstanding veterinary bill to pay.

West Bay has paid £80 to acknowledge its service fell short at times, but as I consider its decision to unfairly decline part of the claim to have caused Miss W avoidable upset, I consider £150 compensation in total to fairly reflect the difficulties she's experienced. And so, West Bay will need to pay an additional £70 compensation.

## **My final decision**

My final decision is I uphold this complaint and direct West Bay Insurance Plc to:

- Settle the claim for the left lipoma in line with the remaining terms of the policy.
- On receipt of evidence from Miss W that she's paid these treatment costs, West Bay must reimburse these costs together with interest from the date Miss W paid the vet's bill to the date it reimburses Miss W. The interest percentage should be based on Miss W's credit card provider's rate.
- Pay £70 additional compensation to recognise the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 22 May 2025.

Nicola Beakhust  
**Ombudsman**