

The complaint

Miss E complains Wakam unfairly declined a claim and cancelled her pet insurance policy.

Any reference to Wakam includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties. And as our investigator detailed events, I won't repeat these here. Instead, I will focus on 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 say insurers must deal with claims promptly and fairly, and not unreasonably decline a claim. So, I've considered what this means for Miss E's complaint.

Declined claim

Miss E submitted a claim for treatment her dog, Y, received in September 2024. Wakam declined the claim and cancelled the policy, saying it no longer provided cover for Y's breed.

It refunded Miss E's premiums dating back to when the policy had renewed in October 2023. Our Investigator didn't think this led to a fair outcome for Miss E. I agree - I'll explain why.

It's not in dispute that in September 2023, prior to renewing the policy, Miss E was given incorrect information by Wakam about whether Y could continue to be insured by them. I've listened to the call in question, and Wakam unequivocally told Miss E that Y would continue to be covered - despite her breed - because she was an existing customer. Following this, Miss E received renewal documentation confirming cover for Y.

I'm, therefore, satisfied at the time of Y's treatment in September 2024, Miss E held the reasonable belief Y was covered under the policy – and she acted upon this incorrect information to her detriment by incurring veterinary costs for Y's treatment.

Following the Investigator's view, Wakam has said Miss E misrepresented information, and that Y *wasn't* the breed Miss E had listed on the policy document, and was instead a breed it wouldn't have insured at all.

Wakam must be able to demonstrate it wouldn't have insured this breed, and this would need to be supported by underwriting guidance. But it hasn't done this, nor has it provided any information about the questions Miss E was asked when taking out the policy.

But in any event, even if Miss H had initially misrepresented the breed, when she called Wakam in September 2023, she told them Y's correct breed. And knowing this, it continued to provide cover – so I'm satisfied it had affirmed the contract. And it, therefore, wouldn't be

fair and reasonable, for Wakam to say Miss E hadn't given correct information when it *had* been told Y's correct breed.

So, I remain satisfied that Wakam unfairly declined the claim. To put things right it should cover the cost of this treatment. As it's already refunded the premiums, it can deduct this amount from the total sum payable.

Cancelling cover

At the same time as declining the claim, Wakam cancelled Miss E's policy. In its final response letter, Wakam said it had returned the premiums she'd paid since October 2023 because it couldn't cover Y. As explained above, to be satisfied Wakam has acted fairly, it needs to show it wouldn't have covered Y's breed.

Wakam's passed on its underwriters' comments – who've said it has never offered cover – but it hasn't provided evidence to support this, such as a list of the breed of dogs it does and doesn't insure.

And whilst Wakam has said it has never listed Y's breed as an option for customers to select when applying for cover, this is at odds with the final response letter, which says Wakam made the business decision to no longer insure Y's breed and similar breeds from January 2023. Which on its face suggests it *did* insure Y's breed at one time.

So, based on what I do have, I'm not persuaded Wakam has demonstrated it wouldn't have offered cover, and I find it cancelled Miss E's policy unfairly.

As Miss E has since changed insurance provider, it's not appropriate to reinstate the policy. But Wakam has undoubtedly caused her avoidable upset. I say this because understandably it came as a shock to Miss E to be told not only the claim had been declined, but also that Y was no longer insured.

This, coupled with the financial worry she had about how the veterinary bill would be paid, satisfies me compensation is warranted. However, I am persuaded the £200 compensation already paid by Wakam is fair and reasonable in the circumstances – so I won't be directing it to increase this amount.

My final decision

My final decision is I uphold this complaint and Wakam must:

- Pay the claim subject to the remaining terms and conditions. It can deduct from this amount the premiums it has already refunded.
- If Miss E has paid the veterinary bill, Wakam must refund her the difference and add 8% simple interest from the date Miss E paid the bill to the date it is refunded (subject to proof of payment).
- If it exists, remove any record of the cancellation from internal and external databases.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 19 June 2025.

Nicola Beakhust

Ombudsman