

The complaint

Mr S complains that Alwyn Insurance Company Limited declined a claim on his pet insurance policy.

Where I refer to Alwyn, this includes its agents and claims handlers acting on its behalf.

What happened

In May 2024 Mr S took out a lifetime pet insurance policy underwritten by Alwyn, for his pet dog. Cover started on 10 May. He had previously had insurance with a different insurer. He was asked about previous medical conditions in the previous two years and disclosed that his dog had had treatment for a spinal problem.

On 23 May 2024 Mr S took his dog to the vet and the vet discussed breathing issues. This was checked on 30 May and the vet advised to have a scan, with a view to further treatment. His dog then had treatment for Brachycephalic Obstructive Airway Syndrome (“BOAS”).

When Mr S claimed for the treatment costs, Alwyn declined the claim. It said he had failed to disclose that his dog had had previous treatment for this condition and, if he had disclosed that, it would not have been covered. Alwyn also said the claim would be excluded because it was present in the first 14 days of the policy.

When Mr S referred the complaint to this Service, our investigator said:

- Mr S was only asked to disclose any surgery, injury or illness from May 2022 onwards. His dog had not shown signs of BOAS or had any treatment for it during that period, so he didn’t need to disclose it. If Alwyn wanted to know about all pre-existing conditions, it should have put the question differently.
- Mr S bought the policy on the basis the BOAS would be covered.
- The policy schedule said cover was excluded for “*all pre-existing conditions and related conditions noted above*”. The only condition noted was the spinal issue. If Alwyn wanted to exclude all pre-existing conditions, it should have made that clear.
- The condition did present itself during the first 14 days, but it wasn’t a new condition – it was a pre-existing condition.

The investigator said it wasn’t fair to decline the claim and recommended that Alwyn cover the claim (with interest) and pay compensation of £150.

Alwyn disagreed and provided further comments. There was further correspondence with the investigator but she wasn’t persuaded to change her view. As no agreement was reached I need to make a 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.

Alwyn has provided extensive comments and the investigator has addressed these in some detail. I use my judgement to decide what's fair, based on the main crux of a case. So I won't comment in detail on every single point that has been raised and will focus on the key points that are relevant to the outcome I've reached. This is in line with our remit, which is to provide an impartial review, quickly and with minimal formality.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, and not unreasonably reject a claim. Insurers have a duty to give consumers the information they need at the right time and in a way they can understand, without having key information buried in lengthy terms and conditions. And the information should be clear, fair and not misleading. They should support their customers in making use of their policy without unreasonable barriers. It should have been clear to Mr S how the policy would work.

The policy provides cover for treatment costs, and this includes cover for pre-existing conditions, if they have been disclosed and accepted.

Alwyn says Mr S didn't disclose the previous treatment for BOAS, so it wasn't accepted. I've considered whether this is something Mr S should have disclosed.

When he bought the policy, Mr S went through a screening process. This advised:

"The way the screening process works is that you declare each condition, injury or operation which has taken place in the last 2 years, or since birth in the case of a fractured bone or life limiting illness or injury. If in doubt, it is better to declare."

This refers to anything that has been present in the last two years, so Mr S only had to disclose conditions in that period – if there had been something more than two years ago, he didn't need to disclose it. And the specific question Mr S was asked was:

"Ignoring vaccinations and neutering, in the last 2 years, has your vet either

- Identified any medical condition*
- Given your dog a prescription*
- Treated your dog for an injury"*

Mr S disclosed that his pet had been treated for a spinal cord injury in the last two years. He didn't disclose the earlier BOAS surgery, because that had been more than two years ago. So I think he answered that question correctly.

He was also asked if his dog was awaiting an operation; awaiting a diagnosis; or had any symptoms which were unknown or unexplained. He answered "No" to these questions. Again, I think he answered correctly.

The policy documents Mr S received said he was not covered for the spinal cord injury. So he would have understood that, and accepted it. But as far as he was aware, that was the only condition not covered.

The policy offers cover for pre-existing conditions but only in limited circumstances – where the insurer has been told about them and chooses to cover them (and charge extra). But Mr S only had to disclose something if, in the last two years, the vet had identified a medical condition, given a prescription or treated his dog for an injury. So if the condition had not been identified by a vet, and no prescription had been given for it, Mr S did not have to answer yes to that question.

Alwyn argues that pre-existing conditions are only covered if they have been disclosed. But there was no reason for Mr S to disclose the BOAS.

There's an inherent contradiction in Alwyn's approach – something is only covered if it's disclosed, but the BOAS didn't have to be disclosed if it had not been seen by the vet in the last two years. So Alwyn wouldn't be aware of it and therefore could not accept it.

I don't think it's fair for Alwyn to lead Mr S to think he didn't have to disclose the BOAS and then say, because he didn't disclose it, it's not covered. It isn't fair to exclude something that hasn't been disclosed, if there was no reason for it to be disclosed.

If Alwyn wanted to know about all pre-existing conditions, it could have asked a clear question requiring all conditions to be disclosed.

Alwyn also said if it were to treat the BOAS operation as a pre-existing condition, then it would be declined on the basis that all pre-existing conditions have been excluded, as Mr S' declaration exceeded its threshold. It says this is stated on the policy certificate, which says "*Cover excludes all pre-existing conditions and any linked conditions noted above*".

I don't think it's clear from that exclusion that all pre-existing conditions are excluded. Mr S would reasonably consider that to mean any conditions stated on the certificate – in this case, the spinal cord injury, and anything related to that – are not covered. If all pre-existing conditions are excluded, there would be no need to list any individual conditions.

Alwyn also argued that acceptance of any pre-existing conditions was subject to its underwriting parameters. But a consumer wouldn't know what those parameters were and it would not be fair to rely on something the policyholder doesn't know about. It should be clear to them how the policy works, and what is and isn't covered.

Given the need for clarity and understanding of how the policy works, I don't consider it fair to exclude the BOAS as a pre-existing condition.

The other point Alwyn relied on was that the condition was seen during the first 14 days after the policy started.

There is an exclusion for conditions that are present in the first 14 days. That's not unusual – most pet insurance policies have an initial waiting period. If something starts in the first 14 days of a policy, the insurer won't generally cover that.

But when deciding if it's fair to rely on that condition in this case, I need to consider Mr S' particular circumstances. This condition doesn't apply to a pre-existing condition if it has been disclosed.

In his case, it wasn't a new condition that started during the first 14 days – it was a recurrence of an old problem. If Mr S had disclosed that, it could have been accepted, and the 14 day period wouldn't have applied. As I've explained, the reason he didn't disclose it was because he wasn't required to in answer to the questions he was asked. I don't think he should lose out because things weren't made clear to him.

In these particular circumstances, it wouldn't be fair to rely on that exclusion.

Mr S had lifetime cover previously with another insurer. So, if he'd known the BOAS would not be covered, it's unlikely he would have switched. He specifically bought this policy because it was marketed as one that offered lifetime cover for someone wanting to switch their policy to an insurer that covered pre-existing conditions. He answered the questions correctly and bought the policy on that basis. It was not made clear to him that the BOAS would not be covered.

For these reasons, I don't consider it fair to decline his claim.

Having the claim declined was very upsetting for Mr S and put him to some trouble. He was also concerned about having to find the funds to pay for the treatment costs himself if the claims wasn't covered. I think it's fair that he's compensated for this.

My final decision

I uphold the complaint and direct Alwyn Insurance Company Limited to:

- cover the claim in line with the remaining policy terms and, if Mr S has already paid any treatment costs, pay interest from the date he paid them to the date of settlement at 8% a year simple; and
- pay £150 compensation for the distress and inconvenience caused to Mr S.

If Alwyn Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from the interest, it should tell Mr S how much it's taken off. It should also give Mr S 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 S to accept or reject my decision before 13 August 2025.

Peter Whiteley
Ombudsman