

The complaint

Mrs V complains about the decline of her pet insurance claims by Wakam.

What happened

The background to this complaint is well known to Mrs V and Wakam. Rather than repeat in detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mrs V took out a pet insurance policy on 19 August 2024 after she wanted to amend the direct debit payment date on an existing policy. Under the terms of the policy, cover is provided (up to the policy limit) for a period of 12 months from the date of the pet first receiving treatment for a condition.

Mrs V's pet (a dog) needed treatment and she made several claims against the policy. In November 2024, two claims for cardiovascular related treatment were accepted and paid. Wakam later said these were paid in error and should've been declined – due to the condition being pre-existing. A third claim related to a respiratory issue was declined. Wakam said the claim was declined because it was linked to the same heart condition and the policy only covered conditions that first started *after* the policy had begun - unless there'd been a period of 24 months without treatment, medication or advice being sought.

Unhappy with the claim decline, Mrs V raised a complaint. Wakam didn't uphold the complaint. Mrs V referred her complaint to our Service for an independent review. Our Investigator considered the complaint and recommended that it be partially upheld. She recommended that Wakam settle the claim (for a respiratory issue). Mrs V accepted, Wakam didn't – so the complaint has been referred to me for 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of my decision

Our Service's role in this complaint is to decide if, on balance, Wakam fairly considered this claim in line with the relevant policy terms before declining it. It's not our role to be medical or pet experts. We are an evidence-based organisation and my decision will be based on the evidence provided by both parties in this dispute.

Mrs V has recently referred to financial difficulties and wants her policy cancelled. Whilst I'm sorry to hear that, she would need to speak to Wakam about that matter as it is separate to the complaint referred to our Service that I'm considering in this decision.

My key findings

In their final response letter, Wakam acknowledged that they had incorrectly settled two claims related to a heart condition in November 2024 and they wouldn't seek to have these claim settlements returned. Having considered the evidence, it does appear that this was an error – as treatment first begun on 10 February 2023 and cover for that condition would end by 10 February 2024 under the terms of the policy. As this action is positive and in favour of Mrs V, I wouldn't seek to interfere with it. Wakam also offered Mrs V £125 to recognise avoidable distress and inconvenience caused by their error and I consider that amount fair.

However, it should also be noted that human error when paying these claims doesn't set a precedent for any other related claims.

Moving onto the declined claim, this claim was made in relation to treatment the dog received for a respiratory issue. Wakam asked for additional information when considering the claim. The vet used by Mrs V hadn't provided any additional supporting information by the time Wakam issued their final response letter on 10 February 2025. However, as Wakam have now had sight of that statement, I've considered it as evidence when reaching my decision.

The key evidence provided to support claim three was from Mrs V's vet. Below are key extracts, with bold added for the Ombudsman's emphasis:

"I am writing to confirm that the cough treated between the dates of 20/11/24 to 10/12/24 is NOT related to [the dog's] heart condition. I appreciate that through the clinical notes, there is evidence that a dose of furosemide given to [the dog] on the onset of his coughing fits at home did help to reduce the intensity of the cough and allowed him to settle. However, I would like to point out that furosemide was never dispensed for that reason and [Mrs V] did admit to administering this on her own account as she panicked...."

"...there is a growing body of evidence to suggest that coughing is NOT a consequence of cardiac disease and thus other diagnostics should be performed to determine the cause of the cough. Therefore, the idea that any treatment for [the dog's] cough is related to his pre-existing heart condition is incorrect..."

"...A tracheal and/or bronchial collapse is more likely the cause of [the dog's] coughing episodes and thus codeine was prescribed to suppress his coughing episodes. However, since the medication was not working as well as we hoped, it was likely that there were secondary factors aggravating [the dog's] cough. Due to risks of anaesthesia, we opted to trial treatment rather than perform radiography and/or a bronchoalveolar lavage. Treatment included the use of doxycycline, an antibiotic, to treat common infectious lung diseases and an anti-helminthic, milbemycin, to cover for potential lungworm. Since treatment, [the dog] has improved markedly. Though he is still coughing, he is not having the severe coughing fit episodes like he was. This goes to show that a primary diagnosis of tracheal and/or bronchial collapse is correct and... had secondary complicating factors (infection) that were exacerbating his clinical signs which have since been treated..."

Wakam have responded to our earlier assessment to say that their policy terms don't "state the signs and symptoms of a condition, will need to be proven to be linked to a previously diagnosed condition for it to be classed as pre-existing condition...". They've also referred to coughing being a symptom of the earlier heart condition, but I'm satisfied that the expert vet's testimony is persuasive – and on balance, the coughing symptom being treated was

unrelated to the earlier pre-existing heart issues. When reaching my decision I've considered (amongst other things) the terms, Wakam's responsibility to treat customers fairly and ICOBS 8.1. I find that Wakam have unfairly declined this claim.

I have kept in mind the positive actions of Wakam in not looking to recoup the claim outlay for the claims wrongly paid, but having very carefully considered the avoidable impact of the declined claim on Mrs V's very specific circumstances, I find that £125 doesn't go far enough and the further £125 our investigator recommended to be fair, reasonable and proportionate.

I say this because it's clear from the Wakam's offer that the £125 was for distress and inconvenience caused by the automated claims system paying two claims in error. But they've not yet considered the specific impact on Mrs V in declining claim three. When coming to an appropriate compensation figure I've also kept in mind that the key evidence from the vet here wasn't provided in a timely manner, but it seems doubtful it being provided any earlier would've resulted in a different outcome – given Wakam's reasons for declining this claim.

Mrs V has told us:

"The decline of the other claims has had a major impact it had on my mental health with the anxiety and stress caused, my physical health due to the lack of sleep and the impact the added stress had on my medicated high-blood pressure, and the financial distress this caused us for several months."

It's clear to me that Wakam have caused avoidable distress, inconvenience and uncertainty for Mrs V.

Putting things right

Wakam need to:

- Settle the claim treatment of respiratory issues between 20 November 2024 and 10 December 2024.
- Wakam should also add 8% simple interest* per annum on this amount, from the date the treatment was paid for, until the date the settlement is made.
 - Should Mrs V have paid for these costs using a credit card, on receipt of proof treatment costs were paid via credit card and appropriate monthly statements, Wakam will need to pay interest based on the rate applied by the credit provider. This is to be calculated to cover the period Mrs V was charged interest (for treatment costs only) on her credit card account. Wakam can then revert to 8% simple interest per annum for any remaining period, until claim settlement is made.
- Pay Mrs V a further £125 compensation. This is in addition to their earlier offer - so a total of £250.

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

My final decision

My final decision is that I partially uphold this complaint. Subject to Mrs V accepting my decision before the date below, I direct Wakam to follow my direction, as set out under the heading '*Putting things right*'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 18 August 2025.

Daniel O'Shea
Ombudsman