

The complaint

Mr B has complained that Lifetime Pet Cover Limited (LPC) who sold him the policy in 2022 then changed what medical conditions his lifetime pet policy benefit of £10,000 could cover.

What happened

Mr B bought a lifetime policy for his dog in November 2022 from LPC, which essentially provided him with vet fee cover up to £10,000 for each policy year, provided the policy renewed.

However, when the policy renewed in 2023, LPC changed the terms of the policy and then introduced claim limits on certain procedures namely MRIs and CT scans and cruciate ligament treatment/surgery. The cruciate ligament vet fees were then limited to £2,000.

Then when the policy renewed again in 2024, cover for any cruciate ligament issues was reinstated without any £2,000 limitation.

Unfortunately, Mr B's dog required cruciate ligament surgery in October 2024 and since that was in the 2023/2024 policy year, the maximum he could claim for that was £2,000 leaving him around £3,000 short.

Mr B complained. LPC didn't uphold his complaint. It said it had notified Mr B of these changes. It also said underwriters can change the terms of the policy at renewal with adequate notice.

Mr B remained dissatisfied and brought his complaint to us. The investigator was of the view that it should be upheld and that LPC should pay the remainder of the vet costs for the cruciate ligament surgery, adding interest if Mr B had already paid his vet. And it should pay him £150 compensation. LPC disagreed so Mr B's complaint has been passed to me to decide.

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'm upholding this complaint along the same lines as the investigator. I'll now explain why.

Like the investigator I consider as LPC sold this policy to Mr B in 2022 and continued to renew it for him in 2023 and 2024, it is the correct entity against whom Mr B's complaint should be registered. There are no issues to discuss as regards how Mr B's claim was paid, simply this complaint is about the policy terms changing.

Lifetime pet policies are sold on the premise that provided the policy is renewed annually, the policyholder essentially has x amount of cover for vet fees for their pet every year with

ongoing or chronic conditions still capable of being claimed for. In Mr B's case this was £10,000 per policy year. Lifetime pet policies are also sold on the basis that any kind of ongoing conditions remain covered year on year, again provided the policy is renewed annually. That is one of the basic tenets of going to the trouble of buying lifetime cover and indeed paying a higher premium than for non-lifetime policies.

Therefore, I consider the consumer in buying a policy with £10,000 worth of cover for vet fees would expect to retain that level of cover throughout each renewal. Mr B's cover originally was unfettered in what vet fees could be covered by his £10,000 limit with the exception of a policy limit for complimentary treatment.

Under the 2022 policy, there is no clause explaining that any policy coverage terms might be liable to change. Otherwise, it says the following under Mr B's chosen level of cover for £10,000 per year:

'We will pay for Veterinary Fees for each new medical condition. You will be covered for Veterinary Fees up to the Policy limit each year and this will be reinstated each year providing cover is made available to You and You continue to renew Your Policy with Us.'

'The Annual Cover Limit payable in any one Period of Insurance is £10,000, which is also inclusive of any Complimentary Treatment Your Pet may receive.'

In the 2023 policy this changes to:

'The Annual Cover Limit payable in any one Period of Insurance is £10,000, which is also inclusive of any Complementary Treatment Your Pet may receive. However, with regard to claims for cruciate ligament rupture, tear, damage or disease and the cost of MRI and/or CT scan treatment and associated costs (following receipt of instructions from the Vet), the most We will pay out in any one Period of Insurance is £2,000 (within the overall limit £10,000). This limit forms part of the overall Veterinary Fees limit you chose and is not a separate Veterinary Fees limit.'

Again, and crucially, there is no clause explaining policy terms might change.

And in the 2024 policy the layout has changed, and it gives the following warning to both cover changes and premium changes as follows:

'It is important to note that the Policy Terms and Conditions can change over time and as Lifetime Pet Cover can provide cover for various conditions over the life of your pet, you must be able to afford to pay for your policy each year. The policy is likely to increase in price at renewal, based on the age of your pet, claims history and other costs, such as enhancements to cover and increases in the costs of veterinary treatment. You will also need to consider that excesses may change as your pet gets older.'

However surprisingly it now covers claims for cruciate ligament issues again without any claims limit of £2,000. I consider the 2024 policy terms as detailed above gives the policyholder some warning about policy changes which is more appropriate. It is also happy to reinstate the full cover up to the annual policy limit for cruciate ligament surgery.

It's well known that cruciate ligament surgery is costly. It's also well known that it is more of a disease process than an injury issue and that it tends to happen more in dogs rather than cats. It practically inhibits the dog from walking, so it is a serious condition and sadly relatively common too, so I disagree with LPC's assertion that it's not a common claim. Also,

and more importantly, the surgery to repair it, is regarded to have good outcomes, generally. So as a dog owner and selecting the level annual cover you might want in a pet policy, you could seek quite rationally to have enough cover to ensure at least one if not two cruciate ligament operations can be met. This is because if one requires treatment, the likelihood of the other requiring treatment increases.

I'm not aware of Mr B's thought processes in deciding to buy a lifetime policy for £10,000 annual cover for vet fees, but it's clear he selected it and wanted that level of cover for his dog. He chose the cover as it was detailed in the 2022 policy, which is unfettered as regards the medical conditions it was going to cover, save for the more standard exclusions detailed in almost every pet policy, plus the complimentary treatment limitation. So, if Mr B's dog had developed the cruciate ligament issues in October 2023, his vet fees claim would have been met in full. Or if his dog developed the cruciate ligament issues in December 2024, his vet fees claim would have been covered in full. But because he was unlucky that his dog developed the cruciate ligament issues in October 2024, he effectively lost out on having his vet fees fully covered and suffered a shortfall of £3,000 which is very significant.

I consider imposing specific condition limits for this one policy year in a lifetime pet policy is simply unfair. More so, when there is no notification in the policy wording for the year before about how terms or even premium prices might change. I consider it's a significant limitation to reduce cover for cruciate ligament issues in this way, since the cost of such procedures is usually well above £2,000. I also consider it's a relatively common issue in dogs and tends to be one of the major considerations of pet owners when considering whether to insure their dog.

Also, I don't agree with LPC that Mr B had the option to change providers given his claims to date wouldn't have been considered pre-existing conditions given the timing of his claims. Claims made do not make the entirety of pre-existing conditions by other insurers. That's simply untrue. This service sees many complaints where no claim was ever made but the content of the vet history for the pet, ensured any conditions, not claimed for or treated or even diagnosed, so merely just noted, are deemed pre-existing conditions, if one changes pet insurers. So that further imposes a significant risk in changing insurers for the pet owning consumer, hence why the more comprehensive lifetime pet policy is often more attractive to those consumers that can afford the higher premium charged.

In any event here Mr B wanted to buy lifetime cover for his dog, so his intention was to continue to renew his policy for the lifetime of his dog. When he bought his policy in 2022, his expectations as to the cover provided and other things like the increasing co-payment issues as his dog ages were set in a way. That policy didn't explain like the 2024 policy now does, that the policy terms and indeed premiums might change over time. Therefore, I consider the limitation for this one policy year, in the particular circumstances of this complaint has caused a significant change for Mr B, which I consider to be very unreasonable and unfair.

So, it follows that I consider LPC should cover the remaining amount of Mr B's claim for this cruciate ligament surgery. Adding interest if Mr B has already paid his vet.

I consider Mr B has suffered some trouble and upset over this not least that he was caused such a significant shortfall. I consider the amount of £150 compensation suggested by the investigator to be fair and reasonable here. It's also in line with our approach to compensation which is more fully detailed on our website.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Lifetime Pet Cover Limited to do the following:

- Pay the remainder of Mr B's claim for his dog's cruciate ligament surgery up to the limit of his £10,000 annual cover subject to payment of any excess.
- If Mr B has already paid the remainder to his vet, add interest of 8% simple per year from the date Mr B paid his vet to the date of its refund to him. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr B for HMRC purposes.
- Pay Mr B the sum of £150 compensation for the distress and upset it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 October 2025.

Rona Doyle
Ombudsman