

The complaint

Mr B complains Alwyn Insurance Company Limited has unfairly avoided two pet insurance policies he had and declined to pay a claim he made.

What happened

Mr B took out a pet insurance policy online for his dogs, B and H, which started on 13 May 2024. In February 2025, Mr B submitted a claim to Alwyn for treatment B had received to remove a mammary tumour.

Alwyn said Mr B had answered a question incorrectly about whether B and H are used for breeding. It said B had previously had three litters and H one, and the eligibility criteria for the policy sets out pets used for breeding are not eligible for cover. Alwyn said it considered Mr B had made a careless misrepresentation, which entitled it to avoid the policies and refund the premiums paid. As it was treating the policies as if they hadn't existed this meant Mr B's claim for B would also not be met.

Mr B brought his complaint to this Service, and our Investigator thought it should be upheld. She said the assumptions set out in the policy say that the pet isn't used for breeding. It makes no mention about whether the pet has been used for breeding in the past. She did not agree Mr B had made a misrepresentation and therefore recommended that Alwyn reinstate the policies for B and H with Mr B repaying the premiums, remove any cancellation markers and assess the claim made for B. Due to the distress and inconvenience caused to Mr B by the incorrect decline and claim delay the Investigator said Alwyn should also pay him £100 compensation.

Alwyn doesn't agree with the Investigator and has asked for an Ombudsman's decision. It maintains the policy doesn't provide cover for pets that have been used for breeding.

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 law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

Alwyn thinks Mr B failed to take reasonable care not to make a misrepresentation when he agreed to the eligibility assumption *“Your Pet must not be used in relation to any trade, profession or business, breeding, guarding, track racing, coursing or beating or used as a gundog, hunting or in connection with shooting of any kind whether for business or recreational purposes.”*

Having looked at this I can see the paragraph is phrased in the present tense (be used) and appears to be intended to apply going forward for the life of the policy. Crucially it does not have a past consideration. So, it does not say, as Alwyn appears to suggest, ‘has been used for breeding’. Had this of been the case I would have agreed a misrepresentation had been made.

However as at the time the policy was taken out neither B or H were pregnant or have, they been used for breeding since, I don’t agree Mr B has made a misrepresentation. As such I will be upholding this complaint as the actions taken by Alwyn are unfair and not in line with CIDRA. I will be directing that Alwyn remove any associated cancellation or voidance markers from internal and external records and that it reinstates the policies. Mr B will need to repay any refunded premiums to Alwyn.

Once the policies have been reinstated, and Alwyn go onto consider the claim made for B, if it goes onto accept the claim and make payment it should add interest at 8% simple per year from the date Mr B paid for the treatment.

Mr B has been caused distress and inconvenience by Alwyn’s actions as he’s been drawn into an increased about of communication with them discussing the situation. The consideration of the claim has also been unnecessarily delayed. For this I think Alwyn should pay him £100 compensation.

Putting things right

To put things right Alwyn should do the following:

- Remove any cancellation and/or voidance markers from internal and external databases
- Arrange for the policies for B and H to be reinstated
- Consider the claim made for B in line with the terms and conditions of the policy. If it later goes onto accept the claim it should add 8% simple interest per year from the date Mr B paid for the treatment to the date it makes payment.
- Pay Mr B £100 compensation.

My final decision

My final decision is that I uphold Mr B’s complaint against Alwyn Insurance Company Limited. I direct it to put things right as I have set out in the section above.

Alwyn Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 23 October 2025.

Alison Gore
Ombudsman