

The complaint

Miss W complains that HDI Global Speciality SE (HDI) unfairly declined a claim under her pet insurance policy.

Where I refer to HDI this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Miss W holds a pet insurance policy, underwritten by HDI, effective from 10 October 2022.

In August 2024, Miss W's dog was diagnosed with Otitis Externa and required treatment. So, Miss W made a claim in September to HDI for the associated vet fees.

But HDI declined the claim. It said Miss W's dog had suffered from ear problems in September 2022 before the policy was inception, and it believed the Otitis Externa was a continuation of the same condition. As such, it said this was a pre-existing condition which is excluded under the policy terms.

Miss W raised a complaint which she brought to our Service. And our Investigator didn't think that the infection that led to the claim was known prior to the start of the policy or that it had it been evidenced it was a continuation or directly linked to the infection from September 2022, prior to the start of the policy. So, he felt the claim should be paid to Miss W with 8% simple interest and awarded £100 compensation for distress and inconvenience.

Miss W had also complained about the delays and complaint handling. Our Investigator was satisfied the redress of £150 already offered by HDI was fair in the circumstances.

Miss W accepted our Investigator's outcome. HDI didn't and requested it be reviewed by an Ombudsman.

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.

Miss W has complained about the decline of the claim as well as the claim handling and delays. This decision is focusing on the declination of the claim as HDI has addressed the issues concerning the claim handling and delays and awarded and paid Miss W £150 compensation. Our Investigator was satisfied this was fair in the circumstances and in line with what we'd expect HDI to have done. I agree with our Investigator and Miss W also accepted it, so I won't be re-addressing it in this decision.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires businesses to handle claims promptly and fairly, provide information on the claim's progress, and to not unreasonably reject a claim.

When making a claim under an insurance policy, the onus is on the policyholder to prove they have a valid claim. If they do, the insurer should cover the claim unless it can prove that a policy condition or exclusion applies.

Miss W has shown that her dog required treatment for Otitis Externa, which is something the policy provides for. So, on the face of it, she's demonstrated that she has a valid claim.

As HDI seek to rely on a policy exclusion, the onus is on it to show the exclusion applies. The relevant policy terms say:

“What is not covered?

*7. Any **illness** arising prior to or during the first 14 days of the inception date of the insurance or a **pre-existing condition**.”*

The policy provides the following definitions:

***Illness** Changes in your pet's state of health which were not caused by an accident. Recurring and/or on-going illnesses shall be considered as one loss. Such illness being defined as: a) Clinical manifestations resulting in the same diagnosis (regardless of the number of incidents or areas of the body affected) to which your pet has an on-going predisposition or susceptibility related in any way to the original claim; or b) Illnesses which are incurable and likely to continue for the remainder of your pet's life.*

***Pre-existing condition** Any illness or injury or complication directly resulting from an injury or illness, whether diagnosed or undiagnosed that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance or within the first 14 days of the policy for illness or 48 hours in the case of an injury.”*

HDI has said the dog has a long and frequent history of ear problems that an underlying cause has been diagnosed and therefore it says it is correct to link all episodes and that the issue falls under the illness and pre-existing definitions as set out in the policy.

HDI has referred to the vet history and said this shows three previous episodes of Otitis Externa (ear infections) prior to the claim in September 2024 these were:

- 15 September 2022
- 16 October 2023
- 29 April 2024

HDI say the vet notes point towards an allergy ongoing for a long time. It relies on the following entries in the medical history:

15 Sept 2022 Ears - bilat o.Ext inflamed and black debris -start drops and rx in 14d - 0 no stentosis just sore and inflamed

16 Oct 2023 Ear exam -L ear - Mild otitis externa and ++ wax, yeast like smell, red ear pinna R ear, Moderate otitis externa with ++ wax, red and inflamed ear pinna.
Assessment:

*Clinically well, otitis externa, suspect allergy driven as occurs seasonally and seen previously.
Suspect secondary yeast infection present.
Plan-Therapeutic: Ear drops
Apoquel - consider long term use to decrease flare ups during high risk periods.*

*29 Apr 2024 R ear - moderate inflammation in canal and +++ thick brown black discharge in canal esp towards TM, pinna mild erythema and black discharge L ear - as R ear but is sore on this ear and slightly less discharge
Plan:
Recommended cleaning 2-3 times weekly with otodine (O declined from us will get elsewhere) as don't want to dry ear out/make more sore by daily cleaning. Would recommend cortavance 0.5ml SID into both ears for 10dys then reduce to lowest effective dose. Fine for 6mth repeats cortavance if doing well.*

*15 Aug 2024 Ears bilat - inflam +++, dark brown discharge ++, TM intact.
Assessment: Allergy flare with 2o otitis externa. Discussed about pathology of allergy and why reoccurring, advise long term allergy control to reduce flare ups, stop cortivance currently as need to clean ear infection. Start apoquel, + aurimic. Increase cleaning to daily. Re-ex in 1-2weeks.*

HDI say these ear problems – which were thought to be caused by an underlying allergy – are the same or linked to the condition claimed for in September 2022. But I'm not persuaded they are. I'll explain why.

After the ears were treated, the problems with the ears seemed to be resolved. And Miss W had returned to the vets on several occasions where there was no concern raised further about the ears.

1 Nov 2022 Examination - No concerns

23 Mar 2023 Pre op check - All fine

31 May 2023 Castration - no indication from notes of any concerns

2 June 2023 Examination: BAR

9 June 2023 O reports dog has been well no concerns

In August 2024, whilst there are similar symptoms to those experienced in September 2022, it's not enough to simply say there is a connection. HDI need to show, on balance, that they're connected. Each episode has been treated separately and cleared up, with gaps of 6 to 12 months in between. I appreciate that the vet has said it suspects the problem to be allergy driven and could be seasonal. But the infections occurred at different times of the year, and I'm not persuaded 'suspect allergy...' amounts to a diagnosis, even if it's possible.

Miss W's dog was rescued from Cyprus around the time of the first infection. We have no details of the conditions and circumstances the dog was in prior to being rescued but I think it's fair to say that grooming wasn't a priority. given the condition of the ears (sore and inflamed, with some black debris. I also note there was no mention of any allergy when the dog was seen in September 2022.

On the evidence available, I'm not persuaded that HDI has satisfactorily shown that the Otitis Externa of August 2024 is the same or linked to the ear problems of September 2022. So, it follows that I'm not satisfied it's applied the policy exclusions for pre-existing or recurring conditions fairly.

Putting things right

I direct HDI Global Speciality SE to:

- Pay this claim, minus any policy excess and up to the policy limits, plus 8% simple interest per annum from the date Miss W paid the vet until the date she is reimbursed,
- Pay compensation of £100 for the distress and inconvenience Miss W has no doubt suffered as a result of having her claim incorrectly and unfairly declined.

My final decision

For the reasons I've explained, I uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 25 July 2025.

Angela Casey
Ombudsman