

## The complaint

Mr M is unhappy Red Sands Insurance Company (Europe) Limited turned down a claim he made on his pet insurance policy.

## What happened

Towards the end of July 2023 Mr M took his dog (D) to the vet. The notes say that was because D had been slowing down over the last few months and particularly over the last few weeks. Pain relief for arthritis was discussed and medication for that was prescribed. Mr M claimed on his policy for that and repeat treatment costs which Red Sands paid.

However, it didn't pay costs incurred on 31 May and 26 June 2024. It said the policy only provided cover for a condition for up to 12 months from when the pet showed signs or symptoms of it. Based on the vet's notes in this case it thought the start date for that period would be 20 May 2023 (two months before Mr M took D to the vet). So treatment costs from 20 May 2024 onwards weren't covered by his policy.

Our investigator thought the policy terms were clear and, based on the what the vet's notes said, it was fair for Red Sands to say the 12 month period should start from 20 May 2023. She didn't uphold the complaint.

Mr M didn't agree. He made detailed comments and in summary said:

- He didn't accept the vet's notes should be relied on. He didn't accept they were verbatim or contemporaneous and his opinion hadn't been sought on them. And Red Sands had in any case interpreted them selectively. It hadn't placed weight on the reference to D slowing down more in the last few weeks or taken into account D's age.
- He thought the policy term was intended to limit the exposure of the insurer at the expense of the policyholder. A policyholder might notice a possible symptom in their pet but it wouldn't be reasonable to expect them to immediately seek assistance from their vet. Applying the term as Red Sands had meant a policyholder would only be able to obtain the benefit of 12 months cover where treatment had started immediately symptoms were observed. The policy didn't make clear what the start date for that period was meaning this was open to interpretation and wasn't transparent to a policyholder.
- He drew attention to information on our website setting out our approach to terms like this which he thought supported his position. And he highlighted information produced by the Competition and Markets Authority on unfair policy terms. He also reiterated that the approach Red Sands had taken wasn't in line with FCA's Consumer Duty rules.

I issued a provisional decision on the complaint last month. In summary I said:

*The relevant rules and industry guidelines say Red Sands has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably. And, as Mr M has correctly identified, the FCA's Consumer Duty rules also apply to its handling of this claim. So I've taken those into account as appropriate when deciding what's fair and reasonable in all of the circumstances.*

*I've looked first at the terms and conditions of Mr M's policy. That covers vet fees up to the amount shown in the schedule "if your pet becomes ill or gets injured". Red Sands has covered some of the treatment costs Mr M claimed for. So I don't think it's in dispute the further costs he incurred in May and June 2024 are potentially ones his policy could cover. The issue is his policy is a 'time limited' one. It says that means "each new condition is covered for 12 months - as long as you renew your policy. The 12 months starts from the date your pet first showed signs or symptoms of the condition...At the end of the 12 month period we won't cover that condition any more even if you renew".*

*Red Sands believes the start date for that period in this case is 20 May 2023. So the 12 months had run out prior to the costs that form the subject of this complaint being incurred. It's based that primarily on the vet's notes from July 2023. I understand that said: "O [owner] reports has been slowing down over the last few months, but particularly the last few weeks. Mainly related to mobility issues - finds it difficult to go up stairs, sometimes seems very weak in back legs and has to sit down. O also report lethargic, unsure whether related to mobility issues or separate issue. EDUD fine although does take more encouragement to eat."*

*Mr M doesn't think that note should be relied on as it isn't verbatim or contemporaneous. I accept it's not verbatim but I haven't seen clear evidence to show it doesn't reflect, in general terms, what was said at the time. And while Mr M says he wasn't given a chance to comment on it I think he has had the opportunity to do that in his correspondence with Red Sands and with us.*

*I don't think it was unreasonable of Red Sands to rely on that information when considering when the 12 month cover period should start from. And the notes do refer to D slowing down over the last few months. Red Sands has then taken 20 May as the start date as that's two months before Mr M took D to the vets.*

*I appreciate that's a somewhat arbitrary date but the vet does say D was showing symptoms of the condition Mr M subsequently claimed for prior to her visit to the vet (and potentially for some months before that). So on a strict interpretation of the policy terms Red Sands might be entitled to conclude the start date for the 12 month period should run from 20 May.*

*However, I'm also required to consider what's fair and reasonable in all of the circumstances of the complaint. Our long standing approach to complaints like this (which Red Sands will be aware of from past complaints and, as Mr M has said, is available on our website) is it's normally fair for an insurer to start the 12 months from the point at which a customer could have made a claim. That's usually when a vet recommends some sort of treatment or investigation for clinical signs of a condition. The reason for that is because we don't think it's fair for the 12 months to start in a situation where there's no claim a consumer could actually make. Doing that means a consumer could lose out on much of the cover provided by the policy and wouldn't have the benefit of cover for the premiums they paid for it.*

*I've thought about how that applies in this case. It's clear no treatment for D's arthritis was recommended until Mr M took her to the vet on 20 July 2023. It might be fair for Red Sands to apply an earlier start date if Mr M should have gone to the vet sooner but I don't think that's the case here. Mr M has pointed out that D is 11 years old and so some slowing down in her movement wouldn't be unexpected at that age. I think that's reasonable.*

*In any case I'm not persuaded that on observing a change of this type a policyholder would immediately think they needed to take their animal to the vet for treatment. I think it would be reasonable they initially paused to see if the problem resolved itself without the need to do so. In this case it appears Mr M took D to the vet after that didn't happen and there had*

*been some further deterioration in her condition (meaning this was less likely to be simply an age-related slowing down). There's no suggestion in the vet's notes that he should have brought D in any sooner than he did.*

*Taking all of that into account I don't think it is fair of Red Sands to apply a start date for the 12 month cover period of 20 May. I think it should fairly run from when Mr M took D to the vet on 20 July 2023 meaning treatment costs incurred in the 12 months from that date would be within the policy cover period. So Red Sands will need to pay any costs that fall within that period (subject to the policy limit and any applicable excess). I also think Mr M will have been caused some avoidable distress and inconvenience in pursuing this claim (and complaint) when it should have been accepted by Red Sands at the outset. In recognition of that Red Sands will also need to pay him £150.*

*Finally, Mr M has referenced the CMA guidance around unfair contract terms in his submissions. I'm aware the Consumer Rights Act (and accompanying guidance) sets out the things that could make a contract term unfair – essentially where a term creates a significant imbalance in the rights of the parties to the detriment of the consumer. But in deciding if a term could be unfair the Act also identifies the need to take into account the subject matter of the contract, all the circumstances existing when the term was agreed and all the other terms of the contract.*

*Given that context, it's important to note there's no insurance policy which covers everything that may result in a policyholder experiencing financial loss. The provision of insurance is always subject to terms and conditions and these have the effect of limiting the insurer's liabilities to its policyholders. And such terms aren't inherently unfair or unreasonable. In this case Red Sands has sought to limit the amount it will pay for a pet insurance claim to a 12 month period. I don't think that's unreasonable in itself and Mr M has accepted that term was clear to him. I think the issue is how it was then applied in the circumstances of his case. And for the reasons I've explained it's here I don't think Red Sands acted fairly.*

## **Responses to my provisional decision**

Both parties accepted my provisional 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.

As both parties have accepted what I said in my provisional decision I don't have any reason to change the conclusions I set out in that decision.

## **Putting things right**

Red Sands should settle any claims for treatment that fall within the 12 month period from 20 July 2023 (subject to the policy limit and any applicable excess). It should also pay Mr M £150 in recognition of the distress and inconvenience he was caused by what Red Sands got wrong.

## **My final decision**

I've decided to uphold this complaint. Red Sands Insurance Company (Europe) Limited will need to put things right by doing what I've said in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 9 July 2025.

James Park  
**Ombudsman**