

## **The complaint**

Mrs T complains Royal & Sun Alliance Insurance Limited ["RSA"] has unfairly declined a claim she's made on her pet insurance policy.

## **What happened**

The background to this complaint is well known to the parties and has been documented by our Investigator previously, so I'll only provide a summary here.

- Mrs T's dog – which I'll refer to as "L" – was insured under two pet insurance policies underwritten by RSA. The first covered the period from January 2024 to January 2025. The second, from January 2025 to January 2026, after Mrs T took out a new policy rather than renew the previous policy.
- L experienced several bouts of diarrhoea and Mrs T took L to the vet each time. Following the second bout, further investigations took place and the vet diagnosed L with a tumour. The decision was made to euthanise L.
- Mrs T made a claim on her policy but RSA declined it as it said the symptoms L had been experiencing indicated there was a pre-existing condition and that was excluded under the policy terms.
- Mrs T complained, initially to RSA and then to this Service. Our Investigator upheld the complaint, saying RSA hadn't shown the two episodes of diarrhoea were linked and she said it should reconsider the claim in line with the remaining policy terms and pay Mrs T £100 for the distress it had caused her at such a difficult time. RSA disagreed and provided some comments from its veterinary advisor but these didn't change the Investigator's mind and so RSA asked an Ombudsman to reach a 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.

It's clear from my review of the file, L's illness and the surrounding circumstances have been very difficult for Mrs T and I empathise with her for all that she's been through. My decision may sound dispassionate and matter of fact – I mean no offence by this, it just reflects the nature of my role and the unbiased review of the circumstances which I must undertake.

In considering this complaint, I've taken account of relevant law, regulations, regulators' rules and guidance and standards, relevant codes of practice and what I consider to be good industry practice. The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, support a policyholder to make a claim, and not unreasonably reject a claim. They should settle claims promptly once settlement terms are agreed.

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

*The first claim in December 2024.*

This claim following the first bout of diarrhoea was made under the first policy. The cost of the treatment fell below the policy excess – the part of the claim which the policyholder has to pay – so I think RSA acted fairly when it declined this part of the claim.

*The second claim in February 2025*

This claim was made under the second policy. The exclusion RSA relied on to decline the claim was:

*“We won’t pay for health issues, concerns, illnesses and injuries which you or your vet were aware of before you took out the policy, they are known as pre-existing conditions, they are:*

- *Signs or symptoms of diagnosed or undiagnosed injuries or illnesses;*
- *Existing illnesses or injuries;*
- *Existing physical abnormalities;*
- *Existing illnesses, injuries or physical abnormalities which lead to other health issues or injuries;*
- *Illnesses or injuries or physical abnormalities that are medically linked to existing illnesses, injuries or physical abnormalities”.*

In line with our usual approach to this kind of complaint, for me to say it was fair for RSA to apply this pre-existing condition exclusion, I would have to be satisfied of two things:

- That the condition being claimed for is the same thing – or directly connected to – an illness or condition that was present before the policy started; and
- At the point when she took out the policy, Mrs T knew there was something wrong with her pet.

*Has RSA shown the conditions were the same or directly linked?*

The vet’s notes in December 2024 don’t offer a conclusive diagnosis for the first bout of diarrhoea, instead concluding bacterial gastroenteritis or gut neoplasia were possible causes. The vet prescribed antibiotics, and the diarrhoea cleared up shortly after.

The second bout of diarrhoea occurred in February 2025 and after further investigation, L was found to have a tumour. In its final response to the complaint, RSA argued that tumours can be the cause of gastroenteritis and therefore the bouts were linked and evidence a pre-existing condition, but it offered no medical evidence to support that this applied in this specific case.

While tumours may be one of the possible causes, they’re not the only one. In my experience and from my own research, gastroenteritis can also be caused by a number of other things such as parasitic, bacterial or viral infections for example.

However, sometime later, RSA provided comments from its veterinary advisor. They considered Mrs T's vet's notes and whilst not conclusive, they said the most likely cause of the clinical signs was the abdominal mass and so thought the two bouts of diarrhoea were likely linked. So, on strict interpretation of the policy terms, this seems to be a possible indication of a pre-existing condition. But even if that's the case, our remit is also to consider whether policy terms have been applied fairly in the circumstances of a particular case. So, below I've gone on to consider this other part of the test.

*Was Mrs T aware there was something wrong with L when she took the policy out?*

At the time Mrs T took out the policy in January 2025, the vet hadn't provided a conclusive diagnosis for the cause of the diarrhoea. They had prescribed antibiotics which seemingly cleared up the condition within a couple of days. Additionally, Mrs T says her vet hadn't said anything to her about tumours or she would have pursued further treatment for this.

As I've explained above, at the time of the first claim the vet's diagnosis was inconclusive, so even if when submitting the claim in March 2025, the vet had later decided the first clinical signs were in December 2024, after the first bout of diarrhoea, this doesn't lead me to conclude Mrs M was aware of this.

Overall, I've still not been presented with evidence which persuades me Mrs T was aware there was anything wrong with L when she took out the policy. And because of this, I'm not satisfied RSA has fairly applied the exclusion for pre-existing conditions. So, I will be directing it to accept the claim in line with the remaining policy terms.

It's not clear to me whether Mrs T has already paid for the February 2025 treatment. If she has, RSA should include in the settlement, interest at 8% simple\* per annum from when she paid it to the date it reimburses her on provision of substantiating evidence.

*The impact of the claim decline*

As I've explained above, the circumstances around this claim were upsetting for Mrs T and so I understand why the claim being declined and having to face a large, unexpected vet bill would have added to the stress of an already difficult time. I will be directing RSA to pay Mrs T £100 to reflect the distress and inconvenience it caused her.

## **My final decision**

My final decision is that I uphold this complaint and direct Royal & Sun Alliance Insurance Limited to:

- Accept Mrs T's claim for the treatment undertaken in February 2025 in line with the remaining policy terms, together with interest as appropriate in line with what I've said above.
- Pay Mrs T £100 for the distress and inconvenience it caused her due to its poor claims handling.

Royal & Sun Alliance Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs T 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.

\* If Royal & Sun Alliance Insurance Limited pays Mrs T interest and considers that it's required by HM Revenue and Customs to deduct income tax from that interest, it should tell Mrs T how much it's taken off. It should also give Mrs T a tax certificate if she asks for one so she can reclaim the tax from HM Revenue and customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 12 August 2025.

Paul Phillips  
**Ombudsman**