

The complaint

Mrs O is unhappy with how HDI Global Specialty SE settled her pet insurance claim.

What happened

Mrs O's dog became unwell and needed vet treatment. This included an out-of-hours emergency consultation. Sadly, Mrs O's dog passed away. Mrs O made a claim to HDI for her vet costs. HDI accepted the claim, but it made several deductions to its settlement. Mrs O accepted most of these but she did not accept or understand a deduction of £147.88. HDI said that this was because it had applied a £100 policy limit for out-of-hours vet fees.

Mrs O complained. She didn't think this limit was clear and she didn't understand how it had been applied. HDI said the deduction was correct but didn't explain it further.

Mrs O still thought this was unfair and she didn't understand the deduction. So, she referred the matter to the Financial Ombudsman Service.

In response to our investigation, HDI provided information about how Mrs O's vet charges for out-of-hours consultations, and how this applied to Mrs O's claim.

The complaint came to me and I issued a provisional decision, upholding the complaint in part. I said:

"First, I would like to extend my condolences to Mrs O for the loss of her dog. I imagine this was very painful. My decision will no doubt cause her to revisit the memory, and I'm sorry for that. I want Mrs O to know she has my sympathy."

"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 intend to uphold the complaint. I've explained why below, along with how I think the complaint should be sorted out. I've focused on the points and evidence I consider material to my decision."

Was the policy limit clear?

HDI relied on the following policy term to make its deduction in respect of the out-of-hours consultation:

"For necessary treatment outside of normal veterinary hours, the charge applied to consultations is limited to a maximum of £100."

Mrs O says this term wasn't made clear. The limit wasn't listed in her policy schedule with the other main cover limits, and she thinks this is unfair given how expensive out-of-hours consultations can be."

I agree that more significant and unusual terms should be highlighted. But I don't think this term met that threshold. It only limits the additional charge for being seen outside normal hours – not the base consultation fee or any treatment carried out. While these consultations can be costly, I wouldn't expect them to occur frequently, and the limit is narrow in scope.

I also found that other minor limits in the policy wording – such as cremation costs and prescription food costs – are also not listed in the policy schedule. So I don't think the out-of-hours limit needed to be either. Mrs O has said she may not have received her policy wording. But the schedule refers to the policy wording for full terms and conditions – so I think Mrs O would have been reasonably aware that further terms applied.

I find the limit was sufficiently clear and I think it's placement in the policy wording was as I'd expect. I therefore think it was fair for HDI to apply the limit to Mrs O's claim.

Was the limit applied correctly?

Mrs O's vet invoice showed a £330.50 charge for "Consultation and OOH Fee". But it didn't break down how much of this was the normal consultation and how much was the out-of-hours surcharge. This made it difficult to understand how the £100 policy limit should apply.

HDI told us that Mrs O's vet charges out-of-hours consultations on a 25/75 basis – 25% for the base consultation and 75% for the out-of-hours surcharge. HDI applied this to Mrs O's claim as follows:

- £82.62 (25%) – base consultation – paid in full
- £247.88 (75%) – out-of-hours surcharge – reduced to £100 under the policy limit
- Deduction: £147.88

I've checked HDI's calculation and am satisfied it is accurate and consistent with the policy limit. So, I find that HDI applied the limit correctly.

Did HDI explain this clearly to Mrs O?

HDI's claim letter said it had deducted £147.88 "for the out of hours surcharge exceeding £100 limit". I don't think this was clear. Crucially, HDI didn't explain how the deducted amount was reached. Mrs O was not told about the 25/75 split, so she had no reasonable way to understand the deduction.

Mrs O's complaint to HDI made her confusion clear. HDI had the opportunity to clarify, but didn't. It repeated its original wording in its final response. I think this led to avoidable frustration and confusion, especially given the distressing context of just losing her dog.

Putting things right

Although I believe HDI applied the policy limit correctly, it failed to explain its decision in a way that Mrs O would have been able to understand. This caused unnecessary confusion and added to Mrs O's distress at a very difficult time.

It also caused Mrs O the foreseeable inconvenience of having to complain to HDI and later to refer the matter to our Service to understand why such a large deduction was made.

I think it's fair that HDI pays Mrs O some compensation to recognise this. Considering the error and Mrs O's vulnerability at that time, I think £100 is a fair amount. So, this is what I intend to award.

To be clear, I can see HDI paid Mrs O £40 for claim delays. I haven't reviewed this as Mrs O hasn't mentioned it in her referral to our Service. However, my intended award is separate from this."

Responses

HDI said it accepted my provisional decision.

Mrs O said she still felt the limit should've been shown on her schedule. She thought this would have included all her limits. She said she bought the policy to protect against emergency costs and she expected to be covered for this up to the limits on her schedule.

She said that out-of-hours visits in her area cost around £315, and she didn't think she was alone in discovering that they weren't fully covered. She asked whether our Service could ask HDI to make its documents clearer, but said she understood if this wasn't something we could do.

As both parties have responded, I now consider it appropriate to issue my final 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.

I'd like to thank Mrs O for her additional comments. I recognise how difficult this experience has been for her. In taking out the policy, she was understandably trying to protect herself from the kind of unexpected cost that sadly arose in this case. It must have been upsetting for Mrs O to learn that her claim had been reduced for a reason she didn't expect or understand – especially so soon after losing her dog.

I've carefully considered the additional points Mrs O has raised. However, I remain of the view that HDI was not required to show the out-of-hours surcharge limit on the policy schedule. I explained why in my provisional decision. I accept that out-of-hours consultations can be a lot more expensive, and I've taken on board Mrs O's point about costs in her area. But I still consider this to be a relatively narrow and specific limit, applying only in limited situations, rather than one of the more significant or wide-ranging limits that needed to be highlighted on the schedule.

I've also kept in mind the schedule directed Mrs O to the full policy wording. Together, those documents formed Mrs O's contract of insurance with HDI. And within the full terms, other more minor limits were set out but not repeated on the schedule. In that context, I think it was reasonable for this limit to be presented in the same way.

I acknowledge Mrs O's concern about the clarity of HDI's documents. I should explain that I don't have the power to tell a business how to design or market its products. I also can't take account of other customers' experiences when considering individual complaints. My role is to decide whether HDI treated Mrs O fairly in the circumstances, in line with her policy terms. Having reviewed the evidence again, I'm still satisfied HDI applied the limit correctly and the term itself was sufficiently clear to be relied on. That said, HDI did a poor job explaining its decision to Mrs O and this caused her a lot of confusion, inconvenience, and frustration at a very difficult time. For this, I still think £100 is a fair amount of compensation for HDI to pay. So, this is what I award to Mrs O.

I know my outcome doesn't go as far as Mrs O would like. I'm sorry to bring her unwelcome news after everything that's happened. But I'm satisfied the redress I'm awarding is fair and

reasonable in the circumstances – and I hope it has helped to have an independent party review her complaint.

The findings of my provisional decision, along with my further comments here, are now the findings of this, my final decision.

Putting things right

I require HDI to pay Mrs O £100 of compensation for distress and inconvenience.

My final decision

I uphold Mrs O's complaint about HDI Global Specialty SE and direct it to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 15 July 2025.

Chris Woolaway
Ombudsman