

The complaint

Mrs W complains Allianz Insurance Plc has unfairly added exclusions to her pet insurance policy and declined a claim for treatment.

What happened

The background to this complaint is well known to the parties so I've only provided a brief summary here.

- Mrs W owns a dog – which I'll refer to as "S" - insured under a pet insurance policy underwritten by Allianz.
- S experienced wounds to its muzzle and throat and was treated by a vet. Mrs W made a claim to cover the cost of the treatment but Allianz declined it. It said Mrs W hadn't disclosed S's previous sickness or injuries when she took out the policy. It concluded she had made a careless misrepresentation and it retrospectively applied exclusions to the policy and declined the claim. Unhappy with this, Mrs W raised a complaint with this Service.
- Initially, our Investigator upheld the complaint but when Allianz provided the questions Mrs W had been asked about S's health at policy inception, he was persuaded she hadn't answered these accurately. He concluded Mrs W had made a careless qualifying misrepresentation and that Allianz had acted fairly when it added retrospective exclusions and declined the claim.
- Mrs W 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.

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. 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 (the 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 calls – a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer must 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.

Allianz says Mrs W failed to take reasonable care not to make a misrepresentation when she responded “no” to the following questions which she was asked during the sale of the policy:

- *“Has [pet name] ever had any symptoms of being unwell or injured?. This is anything that has affected [him/her], even if a vet wasn’t needed”* and
- *“Has [pet name] needed the vet for any reason?”.*

I’m satisfied these questions were clear and specific and were accompanied by the warning that *“Any incorrect information can result in a claim not being paid or may affect the cover we offer”* so I’m satisfied the consequences of not answering correctly were made clear.

The policy was taken out in March 2023 and so I’ve carefully considered S’s veterinary history in the period leading up to this. This details visits to the vet for treatment related to various conditions including - but not limited to - dermatitis and recurring ear infections. From this, I’m satisfied Mrs W didn’t answer the above questions accurately and so she didn’t take reasonable care not to make a misrepresentation.

I’ve then gone on to consider whether this was a qualifying misrepresentation. Allianz has provided details of the relevant part of its underwriting guide, together with an explanation from one of its underwriters. This is commercially sensitive and can’t be shared, but I have considered it carefully. Having done so, I’m satisfied it confirms that if Mrs W had answered the questions accurately at inception, Allianz would have applied the exclusions related to ears and skin conditions, given S’s related medical history. Because of this, I’m satisfied it was a qualifying misrepresentation.

I’ve also considered about Allianz’s classification of the misrepresentation. Allianz said Mrs W’s misrepresentation was careless rather than deliberate or reckless. In the absence of evidence that shows Mrs W deliberately provided incorrect or misleading answers I’m satisfied this was a fair way for the misrepresentation to be classified.

I’ve then considered the actions Allianz can take under CIDRA in these circumstances. CIDRA is clear about an insurer being entitled to, among other things, treat the policy as though it had been provided on the terms it would have offered if the questions had been answered accurately. That would mean the insurer applying those terms retrospectively from the start of the policy. And in this case, Allianz has shown it would have added the exclusions detailed above to the policy if the questions had been answered accurately, so I’m satisfied it’s entitled to do this retrospectively and in so doing, it acted fairly when it declined Mrs W’s claim for treatment for a skin condition.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs W to accept or reject my decision before 21 November 2025.

Paul Phillips
Ombudsman