DRN-5643969

The complaint

Mrs S complains Wakam UK Limited unfairly declined claims and voided 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 S's dog – which I'll refer to as S – is insured under a pet insurance policy underwritten by Wakam, incepted in June 2024. Mrs S made several claims on the policy for urinary tract infection ("UTI")/abnormal urination, the first of these around July/August 2024. While assessing the claim, Wakam concluded S had aggressive tendencies and it cancelled the policy from inception and decided to refund policy premiums.

- Once Mrs S became aware of this decision, in October 2024 she requested reconsideration of the policy voidance, explaining S wasn't aggressive. Mrs S's vet agreed with this and confirmed to Wakam. Eventually after some considerable back and forth between the parties, Wakam accepted this and confirmed cover would continue.

- Then, Wakam considered the claims but these were declined as it said they fell under an exclusion for pre-existing conditions. Mrs S was unhappy with this and initially complained to Wakam and then to this Service.

- Our Investigator said Wakam had taken too long to override its initial decision to cancel the policy. But she was satisfied Wakam had declined the claim fairly. She told Wakam to pay Mrs S an additional £300 due to its poor claims handling and delays. Wakam disagreed with the level of compensation and 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.

Policy cancellation and reinstatement

Mrs S submitted a claim in August 2024. In mid September 2024, following its review of the vet's notes, Wakam concluded S had exhibited aggressive behaviour and so it decided to

void the policy. However, Wakam acknowledges it didn't fully action the voidance, nor did it communicate it to Mrs S. It's also worth noting, it continued to claim premiums from Mrs S during this time. It was only when she phoned up towards the end of October to chase progress on a claim that she was informed of Wakam's decision. So, it caused delays in Mrs S being able to rectify the issue over this period.

Shortly after, Mrs S asked what information Wakam needed to reconsider this decision and she quickly provided the required comments from her vet explaining S wasn't aggressive, in early November 2024. It's clear from the claim notes, Wakam itself had concerns about the underwriting decision to void the policy and challenged this and even escalated the issue to a more senior manager. The issue was put to the underwriter three times before, at the end of January 2025, Wakam agreed to continue cover.

So it took Wakam another three months from when the vet first confirmed S wasn't aggressive before it confirmed continuance of cover. Together with the other delay identified above, I'm not satisfied this level of service was good enough or was in line with the requirements of the relevant industry rules and guidance. I'll be keeping this in mind in considering my award.

Declined claims

Mrs S's policy excludes pre-existing conditions. The relevant policy wording is detailed below:

> *"We define pre-existing conditions as:*
> - *Anything your pet has had treatment, medication or advice for in the 24 months before your policy starts.*
> - *Any condition that showed signs or symptoms in the 24 months before your policy starts and didn't receive treatment, medication or advice.*
> - *Any illness or injury that shows signs or symptoms and/or receives treatment, medication or advice during a waiting period."*

I've carefully considered the vet's notes. In May 2024 the vet commented about S:

> *""…urinating on carpet…seems uncomfortable when passing but then does pass normal streams…urine quite dilute so worth checking kidneys, could be USMI but best to rule out other causes first…cover with abs in meantime in case underlying UTI".*

So I'm satisfied from this, the vet thought S was showing signs/symptoms of urinary issues at this time, wanted to check what was causing the problem, and advised on some action to be taken in the meantime. This was before the policy was incepted in June 2024, well within the 24 months stated in the exclusion. And I'm persuaded it's more likely than not, these symptoms were linked to the claims subsequently made on the policy for UTIs/abnormal urination. So, on that basis It seems reasonable for Wakam to say there were pre-existing conditions present.

But in line with our usual approach, I also need to consider if Mrs S was aware there was something wrong with S when she took the policy out. From the vet's notes, I can see Mrs S took S to the vet to investigate urinary issues and so, Mrs S was clearly aware there was something wrong with S, even if she didn't know at that point what the cause of the problem was.

So, for the reasons I've explained, I'm satisfied it was fair for Wakam to say the pre-existing exclusion applied and therefore to decline the claims.

The impact of Wakam's poor service

I know Mrs S would like all the premiums she's paid back. But I have to keep in mind, Mrs S has had the benefit of cover under the policy – even though these particular claims were declined. So I don't consider it appropriate to direct Wakam to refund the premiums. But I have gone on to consider the impact of Wakam's poor claims handling on Mrs S.

Having carefully considered the evidence provided by Wakam, it's clear to me it handled the cancellation and reinstatement of the policy very poorly. The evidence details numerous calls from Mrs S to chase for progress, repeated promised calls not being returned to Mrs S and Wakam having to escalate the issue internally through a more senior member of staff due to the lack of progress on the issue. It shows that the issue was reconsidered by its underwriters three times in total, despite Mrs S and the treating vet confirming S wasn't aggressive as early as November 2024 and the concerns about the underwriting decision within Wakam.

All through this time, Mrs S wouldn't have known whether the significant vet bill would be covered or not and this would have undoubtedly increased the stress she experienced. She also explained that when she received three batches of renewal paperwork – which Wakam acknowledges it sent in error - this further confused things and increased the uncertainty about whether the policy was still active. I can fully understand why Mrs S would have found this distressing, inconvenient and frustrating.

I have concluded Wakam has delivered service well below what I would expect and this has had a significant impact on Mrs S and my award will reflect that. Wakam should be aware this Service doesn't make separate awards for each part of a business' poor service or claims handling but considers the impact of these on the consumer in the round.

Keeping in mind what I've said above and the obligations placed on Wakam by the relevant regulations and guidance, I'm awarding an additional £300 to Mrs S - on top of the £250 Wakam has already paid. I know Wakam thinks this is too much but I'm satisfied it's fair and reasonable in all the circumstances of this specific case and in line with our published guidance for awards.

My final decision

My final decision is that I uphold this complaint and direct Wakam UK Limited to pay Mrs S and additional £300 on top of the £250 it's already paid her for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 25 September 2025.

Paul Phillips
Ombudsman