

The complaint

Mr B's complaint is about a claim he made on his Alwyn Insurance Company Limited ('Alwyn') pet insurance policy.

Mr B says Alwyn treated him unfairly.

All references in this decision to Alwyn include their claims handlers.

What happened

Mr B took out a pet insurance policy with Alwyn which commenced in January 2024. In October 2024 Mr B told Alwyn his pet had been diagnosed with cancer and required surgery to remove the pet's lower mandibula. Mr B asked for Alwyn to preauthorise the costs associated with this.

Alwyn considered the pet's clinical history declined Mr B's request on the basis that the claim related to a mass in the pet's mouth and the pet had been diagnosed with a different mass in its mouth in 2020. As such they considered the condition to be pre-existing, which was excluded by the policy, unless Mr B had declared this previously, and he had not done so in this case. Alwyn also said that Mr B had breached their policy condition by failing to disclose the existing mass in his pet's mouth which was identified in 2020.

Mr B's vet has provided evidence to support that the mass previously identified was benign and unrelated to the cancerous one and that this was confirmed by a biopsy.

Our investigator considered Mr B's complaint and concluded it should be upheld. Alwyn don't agree so the matter has been passed to me to determine.

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.

Having done so, I uphold Mr B's complaint for broadly the same reasons set out by the investigator. Before I explain why, I wish to acknowledge the volume of submissions made by Alwyn in this complaint. Whilst I've considered everything they've said, I won't be addressing it all. That's not intended to be disrespectful, rather it's representative of the informal nature of the Financial Ombudsman Service. Instead, I'll stick to the crux of Mr B's complaint, whether Alwyn treated him unfairly and if so, what they need to do to put things right.

Alwyn's position is that the condition Mr B is claiming for is pre-existing. The policy terms exclude pre-existing conditions unless they're disclosed to Alwyn and they agree to cover them. They go on to say that if a pre-existing condition is not disclosed to them and cover is not agreed by Alwyn for the condition, there will be no cover if a claim is made.

A pre-existing condition is defined as:

“any condition, Illness, Injury or Bilateral Condition which occurred or first showed Clinical Signs or symptoms prior to the Policy start date, whether diagnosed or not or existing in any form even if the diagnosis changes. This includes if the condition, Illness, Injury or Bilateral Condition has the same diagnoses or is caused by, relates to or results from a condition, Illness or Injury which occurred prior to the policy start date”.

I've considered the condition that Mr B is claiming for here and the mass identified in the pet's mouth in 2020. The mass currently claimed for is cancerous. The mass identified previously however is described a fibromatous epulis, Mr B's vet has provided detailed evidence setting out the difference in the two lumps as follows:

“(The pet) was recently been referred to me for staging of a right mandibular gingival squamous cell carcinoma. (The pet) underwent an extensive rostral mandibulectomy surgery for removal of the mass.

The mass was confirmed as a squamous cell carcinoma and has been fully excised.

A second small gingival mass adjacent to the incisors, which has been present for many years was biopsied separately and confirmed to be a fibromatous epulis. This lesion is benign and completely unrelated to the squamous cell carcinoma.

To follow from my previous letter, (the pet's) histology report now confirms that the second small gingival mass, which has been present for years, is a categorically unrelated to (the pet's) tumor.

Therefore, I request this claim is reassessed as the tumor and epulis are unrelated, and the tumor should therefore be covered as it is not a pre-existing condition as per your previous declination letter. Whether or not the epulis was known of or declared on the policy should have no influence on the assessment of a squamous cell carcinoma. The epulis was not diagnosed or investigated until (the pet's) treatment with ourselves.”

The evidence of Mr B's pet is conclusive. The mass previously identified is unrelated to the treatment being claimed for here. As such I'm not satisfied that Alwyn have successfully demonstrated that the condition is in any way pre-existing and therefore it was unfair for them to decline the pre authorisation request as pre-existing.

Since Mr B made his complaint to this Service, Alwyn have raised several other arguments about why they shouldn't be expected to fund the treatment costs to Mr B's pet. In particular they say that Mr B failed to declare the 2020 mass when he took out cover and that it's unfair for them to fund the claim in these circumstances, they've made various submissions about what they might have done had Mr B declared the mass when he took out cover.

For the sake of completeness, I shall address Alwyn's concerns, but they made no difference to the outcome of Mr B's complaint. The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) is relevant here. This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a 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 describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation. In this case I'm not satisfied that Mr B did misrepresent the position when he took out the policy. I say so because the following was put to him at the time of sale:

“The way the screening process works is that you declare each condition, injury or operation which has taken place in the last 2 years, or since birth in the case of a fractured bone or life limiting illness or injury. If in doubt it is better to declare.”

In this case I haven't seen anything that suggests the pet had a condition or illness that I think Mr B should have reasonably declared based on the information put to him. Rather the pet's clinical records in respect of the mass indicate that in 2020 Mr B should monitor it and in 2023 that it was a small pea sized lump that was still there, that the pet had it for two years and that it did not hinder it in any way. In light of this, and the fact that the mass caused nothing of concern to Mr B for the three years before the policy was in place, I don't think Mr B could be said to have reasonably misrepresented the position to Alwyn when taking out cover. Because of this Alwyn aren't entitled to rely on any remedies that might arise out of a qualifying misrepresentation under CIDRA.

I turn now to the impact of Alwyn's decision on Mr B. Like the investigator, I think Mr B would have found his dealings with Alwyn frustrating and distressing particularly when his pet was in need of serious and expensive treatment. Alwyn have not been able to demonstrate any sound reasons why the claim wasn't capable of acceptance. The only basis for rejecting it would have been that it was pre-existing but no evidence at all has been presented in this case to support that and the onus was on Alwyn to demonstrate that if they intended to rely on that exclusion. I think therefore Mr B would have reasonably expected his claim to be preauthorised and when this didn't happen, this would have caused him considerable concern. So I'm satisfied that Alwyn should compensate Mr B for both the stress and inconvenience caused to him in the way they dealt with his claim. I've set out a figure that aligns with awards we'd make in similar circumstances below.

I have noted what Alwyn has said about the fact that they might well have adjusted policy premiums to reflect the pet's clinical history, had Mr B declared this, or not offered cover at all. They've said they rely on policyholders making reasonable declarations from the outset in order to enable them to assess this. They've also said that it's for them to decide what action to take based on a pet's clinical records for 2 year pre dating cover. In this case I've found that Mr B didn't make a qualifying misrepresentation based on the direction he was given by Alwyn. If Alwyn wanted Mr B to declare anything his pet had been seen for by a vet, including an examination of something that wasn't causing any problems, they needed to ask a clearer question about this. Alternatively, they could have sought to consider the pet's clinical records from the outset to ensure they were happy with taking on the risks they were insuring. In the absence of that, I can't say they have treated Mr B fairly in the circumstances.

Putting things right

On presentation of the claim by Mr B, Alwyn should pay him:

- the claim value subject to the remaining policy terms
- interest of 8% per year simple on the claim paid out, from the date Mr B paid his veterinary fees, until he is reimbursed.
- Compensation of £150 for the distress and inconvenience caused to him.

My final decision

For the reasons set out above, I uphold Mr B's complaint against Alwyn Insurance Company Limited and direct them to put things right.

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

reject my decision before 17 September 2025.

Lale Hussein-Venn
Ombudsman