

The complaint

Miss D complains that Red Sands Insurance Company (Europe) Limited declined a claim on her pet insurance policy.

What happened

Miss D took out pet insurance for her pet cat in September 2022. She made a claim on the policy in January 2025 after her cat was treated by the vet for an eye problem, which was suspected to be viral conjunctivitis.

Red Sands declined the claim. It said the same condition had been noted by the vet in the first 14 days after the policy started, and there's no cover for conditions that are present in the first 14 days.

Miss D complained but Red Sands said:

- The vet had confirmed the condition could be a flare up of the same underlying condition first noted during the 14 days after the policy started.
- It understood she was unaware of any existing conditions, but the claim was assessed on the basis of the medical history.

When Miss D referred her complaint to this Service, our investigator said it wasn't fair to decline the claim, as the evidence didn't show the condition claimed for was the same as the problem noted during the first 14 days, or that Miss D had been aware of the problem in the first 14 days.

He recommended that Red Sands pay the claim, together with interest, and pay compensation of £100 for the distress and inconvenience caused.

Red Sands disagrees and has requested an ombudsman's decision. It says:

- The symptoms presented during the initial 14 day period were consistent with those noted in the 2025 flare-up.
- The treating vet's comments, though cautious, clearly reference the possibility of a recurrence and an inability to argue convincingly in favour of the claim.
- The clinical records support the application of the exclusion, as they show the likelihood of a connection between the two episodes.

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.

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.

In the first instance it's for the policyholder to show they have a valid claim. If they do, the insurer should cover the claim unless it can show a policy condition or exclusion applies.

The policy covers vets' fees so Miss D is entitled to claim for the treatment costs. But there's no cover for conditions that are present in the first 14 days of the policy. This is not unusual and pet insurance generally wouldn't cover something that was present within 14 days of the policy starting.

Having considered everything carefully I don't think it was fair to decline the claim, for the following reasons:

- It will generally be fair for the insurer to treat the issue claimed for and an earlier problem as one condition if the problems are directly related or have the same underlying cause.
- Red Sands says the vet's comments show it's likely the condition treated in January 2025 and the symptoms noted in September 2022 were caused by the same virus. But what the vet said was that they couldn't prove the conditions were not the same, and viral conditions can appear normal for periods but then flare up again. That's not the same as saying the conditions are the same (or directly related).
- The vet was essentially saying they didn't know if the conditions were the same, or were related.
- The evidence indicates it's possible the issue seen in September 2022 was caused by the same virus that flared up in January 2025. But the onus is on Red Sands to show it's fair to apply the exclusion. So it needs to show not just that it's possible this is the same condition but that it's more likely than not it is the same. I don't think the medical evidence goes that far. It shows these might be connected, not that they are connected.
- I've also considered whether Miss D knew – or should reasonably have known – within the first 14 days of the policy that there was something wrong that was likely to lead to some investigation or treatment.
- All that was mentioned was that her cat had an issue with one of his eyes. I don't think she knew there was anything wrong that was likely to lead to treatment later on, and she wasn't advised these were symptoms of an ongoing condition.
- As far Miss D was aware, her cat had a problem with an eye which was resolved and there were no further problems until the issue she claimed for over two years later, which may have been connected but might not have been.

For these reasons, Red Sands should pay the claim.

Having the claim declined, and having to find the money to pay for treatment costs that she thought would be covered by her insurance, was very upsetting for Miss D at a time when she was already upset by the fact her pet was unwell. I think it's fair that she's compensated for the distress and inconvenience she was caused

My final decision

My decision is that I uphold the complaint and direct Red Sands Insurance Company (Europe) Limited to:

- Settle the claim in line with the remaining policy terms and, if Miss D has already paid the vet's fees, pay interest from the date she paid them to the date of settlement at 8% a year simple*.

- Pay compensation of £100 to Miss D for the distress and inconvenience caused.

*If Red Sands Insurance Company (Europe) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss D how much it's taken off. It should also give Miss D a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 15 October 2025.

Peter Whiteley
Ombudsman