

## **The complaint**

Mr P complains that Wakam unfairly declined a claim under his pet insurance policy. He says the policy was mis-sold.

Where I refer to Wakam, this includes the actions of its agents and claims handlers for which it takes responsibility.

## **What happened**

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Mr P held a 'money back' pet insurance policy for his dog, underwritten by Wakam and effective from January 2020.

In January 2024, Mr P contacted Wakam to discuss reducing the cost of the policy. After some discussion, a new 'regular' policy was taken out and the 'money back' policy was cancelled.

In April 2024, Mr P made a claim for the removal of a lump. But it was declined. Wakam said the lump was present in December 2023, therefore it was pre-existing to the new policy and wouldn't be covered.

Mr P complains that:

1. He wasn't told his policy was being cancelled in January 2024 and that a new policy was being set up. He was under the impression he was simply amending the level of cover available and specifically, that he'd no longer be covered for a previous condition of itchy skin.
2. Wakam has taken an inconsistent approach to the claim. It has paid for the claims related to the diagnosis of the lump and the removal of the stitches following the operation. But has declined the claim for the operation itself.

Wakam says:

1. It was clearly explained to Mr P on the phone that his policy was being cancelled and a new one set up. It says Mr P was informed there would be no cover for pre-existing conditions and what this meant.
2. The two claims for the lump diagnosis and stitches have been paid in error, as they were automatically approved on its system. It acknowledges this would've caused some confusion and distress. And it has offered £150 compensation to recognise this impact.

Our Investigator was satisfied the policy hadn't been mis-sold and the claim had been declined correctly. He thought the offer of compensation was fair, and he didn't think Wakam needed to do anything more to resolve things.

As Mr P didn't agree, the complaint has been passed to me to decide.

### **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 reassure Mr P that whilst I may have condensed what he's told us in far less detail and in my own words, I've read and considered all his submissions in full. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail he'd like, in order to reach my decision. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

### ***Policy sale***

I've listened to the call recording of Mr P's conversation with Wakam on 22 January 2024. Having done so, I'm persuaded it was made sufficiently clear to Mr P that he was setting up a new policy and what the impact of that would be. I'll explain why.

On the call, Mr P tells Wakam that he wants to bring his policy premiums down. The advisor explains there are a couple of things which can be done; increasing the excess, adding a 20% copayment, removing the travel abroad added extra, or *"moving off of the money back policy to a regular policy"*. Mr P asks the advisor to *"take off"* the travel abroad and the money back.

The advisor agrees to run some quotes. And a discussion is entered into about previous claims for itchy skin. Mr P says his dog doesn't suffer from this anymore and isn't on the tablets, so he doesn't need cover for this pre-existing condition. The advisor explains the premium isn't based on the pre-existing condition, but rather the number of claims which have been made and how much the policy has paid out.

Mr P says he's found like-for-like policies for a cheaper price. The advisor tells Mr P that he could set up a brand-new policy with Wakam which would be cheaper as it wouldn't cover pre-existing conditions. She says:

*"I can run a quote for you as a brand-new customer if you'd like with a brand-new policy. But it will mean that anything that [your dog] has had medication, treatment, or advice for in the last 24 months before this brand-new policy starts will be excluded on the policy if it happens again. So we're not talking just the itchy skin, we're talking about anything that you haven't claimed for, have claimed for.."*

Mr P tries to recall what he's made claims for in the past and he asks some questions about future claims which could be made. The advisor explains she doesn't work in the claims team but says she understands they will:

*"Look at all of [your dog's] medical history, the referral notes and if they can see that the vets were to turn around and say, ok this was related back to this condition that he had before the policy started, then it would be excluded. Obviously, accidents are a different situation."*

Mr P and the advisor go on to discuss the advisor's dog for around 20 minutes. But on returning to the conversation about Mr P's policy, the advisor says:

*"If we did set up a brand-new policy, it would mean as in anything [your dog] had medication, treatment, or advice for. Unfortunately I can't wipe just one condition off...We're saying as is, anything that [your dog] has had medication, treatment, or advice for in the last 24 months before, if you do go ahead with, this new policy starts."*

Mr P agrees to go ahead. And the advisor explains she won't be able to backdate the policy to the day before – which was the policy renewal date. She explains the new policy will start from that day.

Having listened to this call, I can't agree that Mr P wasn't told this was a new policy. It was repeated several times on the call that it would be a "brand-new" policy. And it was repeated several times that there would be no cover for anything Mr P's dog had received medication, treatment, or advice for in the previous 24 months.

I do appreciate Mr P's focus on the call was on his previous claims for itchy skin. But the advisor had said it wasn't limited to itchy skin, and that it wasn't limited to conditions claimed for. Whether Mr P took this on board or not, I don't know. But I'm satisfied the advisor did all she reasonably could to make him aware. And this was reflected in the policy documentation sent out afterwards. So I'm not persuaded this policy was mis-sold.

#### *Claim decline*

Mr P has made a claim for an operation to remove a lump. But Great Lakes seek to rely on a policy exclusion for pre-existing conditions. The policy says:

*"Claims and costs we don't cover...pre-existing conditions."*

The policy provides the following definitions:

*"We define pre-existing conditions as:*

- Anything your pet has had treatment, medication or advice for in the 24 months before your plan starts.*
- Any medical condition that showed signs or symptoms in the 24 months before your plan starts.*
- Any illness or injury that shows signs or symptoms and/or receives treatment, medication, advice during a waiting period.*

*We consider advice to include anything observed and recorded in your pet's clinical history."*

Great Lakes says Mr P received advice for the lump in December 2023 when signs and symptoms of the condition were first recorded. It relies on the following entry in the clinical history:

*30/12/2023      Also checked small lump in skin L side over lower rib area – small plaque type lump approx. 1.5cm diam attached to skin, advise monitor for now – most likely benign lump but cannot be 100% sure, advise FNA at some point – will do same time as further investigations with foot if needed so will leave till we know how foot is doing first.*

02/04/2024 FNA mass. OR mass on L lateral thorax, just caudal to axilla, seems to fluctuate in size. Plan: Discussed FNA, O happy to proceed.

It seems to be accepted by all parties to the complaint that these entries are referring to the same lump. And it's not disputed that the lump was first identified and discussed with a vet in December 2023, prior to the start of the new policy. This is reflected in an email from the treating vet to Wakam which says:

*"Our client has let us know our claim for Mast cell tumour removal has been declined. We understand the policy was active with you before the mass was mentioned in 2023 in the clinical notes, we therefore can't understand why this would be classed as pre-existing. The owner has advised it was more of a renewal than a cancellation of the policy."*

As such, I'm satisfied the lump is a pre-existing condition. This is because there were signs or symptoms of it in the 24 months before the new policy started. And Mr P had taken advice from a vet about it.

This isn't enough for us to conclude that Wakam can fairly decline the claim. We also consider whether Mr P knew – or ought reasonably to have known – there was something wrong with his dog that was likely to lead to investigation / treatment before the policy started. And I'm satisfied he did.

Whilst I appreciate Mr P was only told to monitor the lump prior to the start of his new policy, the vet had said they couldn't be 100% sure it was benign. And they'd explained that a FNA (fine needle aspiration) would be needed at some point. This is a procedure used to collect cells or fluid from a lump to help diagnose the cause of it and whether or not it's cancerous. So I'm persuaded Mr P was aware this was something that was likely to lead to further investigation and possibly treatment.

For these reasons, I'm satisfied Wakam declined the claim for the lump fairly.

I'm aware Wakam has caused some confusion and inconsistency by incorrectly paying two out of the three claims. It's not our role to fine or punish a business where an error has occurred. Instead, I need to ensure Mr P is put back in the position he would've been in had the error not occurred. In this case, Mr P has financially benefited from Wakam's error as he's received two claim payments he wasn't entitled to. As such, I'm persuaded Wakam's offer of £150 compensation is very generous in the circumstances and I won't be asking it to do anything more.

### **My final decision**

Wakam has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Wakam should pay £150 to Mr P.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 August 2025.

Sheryl Sibley  
**Ombudsman**