

The complaint

Mr H complains that Pinnacle Insurance Limited unfairly declined his claim, added an exclusion, and it didn't follow his preferred communication preference on his pet insurance policy.

What happened

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

Mr H holds a pet insurance policy for his dog 'R', underwritten by Pinnacle, effective from 6 May 2024.

In April 2025, R needed treatment due to a wound on his ear (hot spot) and bilateral otitis external. Mr H made claims for these conditions, but they were declined.

Pinnacle says Mr H made a misrepresentation when he took out his policy, as he didn't declare pre-existing conditions. Under the Consumer Insurance (Disclosures and Representation) Act 2012 (CIDRA) Pinnacle says it applied two exclusions to the policy in November 2024:

- Ear Problems, reviewable from 6 May 2027
- Skin Problems, reviewable from 6 May 2025

These were applied as Pinnacle had sight of R's medical history when a claim was made in November 2024.

Mr H says he wasn't aware of the exclusions as he had requested correspondence was sent by post, but this had been uploaded to the portal. He didn't think this was fair, so he raised a complaint which he brought to our Service.

Our Investigator didn't uphold the complaint. Mr H didn't agree, so the complaint has been passed to me, an Ombudsman, 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.

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 (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.

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.

Mr H took his policy out online and Pinnacle has provided a screenshot of the question he would've been asked at the time. This says:

"Has [R] shown any sign of injury or illness or been unwell? We need to know anything you have noticed or discussed with your vet or any other professional about [R's] health or behaviour. Even if there was nothing to be concerned about and the problem was resolved quickly."

Mr H answered 'no'.

Pinnacle says Mr H answered this incorrectly.

The screenshot shows an information icon at the end of the question. And when clicked on, the following information is provided to assist with answering the question:

"A pre-existing medical condition is an illness, injury or symptom your pet has ever suffered from or is suffering from before you take out this policy. This would include one-off or ongoing conditions/symptoms and accidental injuries. As well as any discussions with your vet or other professionals about their health or behaviour. Even if treatment wasn't needed or you were told it was nothing to worry about."

It has also been able to show what Mr H would've seen after clicking No:

"[R's] pre-existing conditions: This policy doesn't cover pre-existing conditions. It's important we know of any conditions and /or symptoms R's suffering from or has suffered from in the past before you take out this policy. At the point of claim, our team will review your pet's medical records. Failure to tell us about any pre-existing conditions may affect future claims and your policy."

I've thought about whether Mr H made a misrepresentation. In doing so, I've looked at the medical records and can see the following relevant entries:

"22 July 2022 – Bilateral waxy otitis externa, home with preps and topical meds. Recheck in 1 w. Also, very small oval area of alopecia about 0.5cm diameter on top of head..."

"5 December 2022 – Relapse of bilateral otitis externa. No other areas of skin affected."

So, I'm persuaded Mr H should've been aware of R's medical history. I understand Mr H thought as he had made no claims previously, he didn't think he needed to declare it. So, I've gone on to consider whether Pinnacle asked a clear and specific question, provided explanatory material to assist with answering the question, and whether it highlighted the importance of answering it correctly. From what I've seen and as set out above, I'm satisfied Pinnacle's question was clear, specific, and not ambiguous and therefore I agree it was fair for Pinnacle to conclude that Mr H hadn't taken reasonable care when applying for the policy.

I've considered whether this is a qualifying misrepresentation, this is when an insurer can show they would have done something different had its questions been answered differently.

Pinnacle have provided its underwriting guidelines. I'm satisfied that had full disclosure been made at the policy's inception then it would've applied the two exclusions listed above from the start of the policy.

This means I'm satisfied Mr H's misrepresentation was a qualifying one.

Pinnacle has said Mr H's misrepresentation was careless. And I agree that this is fair in the circumstances of this complaint.

As I'm satisfied Mr H's misrepresentation should be treated as careless, I've looked at the actions Pinnacle can take in accordance with CIDRA.

I'm satisfied that Pinnacle has shown it would have provided the cover at the same premium but on different terms (i.e. with the above exclusions). It can therefore assess any claims in line with the policy terms and as if the exclusions were in the policy from the start date.

So, I'm satisfied it was fair for Pinnacle to decline the claims made in April 2025.

Customer Service

I appreciate Mr H says he wasn't aware of the exclusions as he says Pinnacle have not adhered to his communication preference.

I've looked at what Mr H selected when he incepted the policy. Mr H chose to go paperless, and he acknowledges he received the welcome letter via email, and this directed him to where his policy document was being stored on the portal. He also accepts that he didn't request post correspondence at this time. So, I can't say Pinnacle did anything wrong by sending the policy document via the portal.

Pinnacle have been able to show that on 11 November 2024 when it added the exclusions to the policy it sent Mr H an email notifying him to log on to the portal to view an important email notification. I'm satisfied that Pinnacle has done what I would expect of it.

I can see Mr H did ask for postal correspondence when he called Pinnacle on 1 May 2025 which was after he submitted the claims. Pinnacle changed this in line with his request, but it has confirmed that Mr H has since switched this back to paperless on the 12 May 2025 via the portal. So, if Mr H does still want to continue with postal communication, then he will need to arrange to change it again with Pinnacle.

In addition, Mr H says he didn't receive a text update regarding his claim. I appreciate this was frustrating and possibly a shortfall in service. However, I'm satisfied this didn't have any financial impact. I say this because Mr H has already confirmed by the time he made the claim; he'd already made the payment to the vet and the lack of a text message made no difference to the claim decision.

I'm satisfied Pinnacle has done what I would expect of it and so I won't be directing it to do anything further.

My final decision

For the reasons set out above, I've decided not to uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 September 2025.

Angela Casey
Ombudsman