

The complaint

Mrs G complains that Covea Insurance plc (Covea) unfairly declined her claim and avoided her policy for a misrepresentation they say she made on her pet insurance policy.

Reference to Covea includes its agents.

What happened

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

Mrs G incepted a pet insurance policy for her dog 'R', underwritten by Covea, effective from 20 February 2023. R is Mrs G's pet, but this policy was taken out for when R was at Mrs G's school as a mentor/therapy dog. The policy was in Mrs G's name but registered under the school's address and the school paid for the policy.

In May 2024, R needed treatment for spinal pain. Mrs G made a claim(s) for this, but they were declined and Covea avoided the policy as it said Mrs G didn't meet point 5 of their eligibility criteria – "*Your pet(s) will not be used for either commercial breeding or monetary gain*". Covea said that because the school paid for the policy and there is no evidence to suggest Mrs G paid for the policy or reimbursed the school for policy payments, this has resulted in a monetary gain to Mrs G. Covea acknowledged that it took longer than it should have to reach a decision on the claim and offered £200 compensation and fully refunded the premiums.

Mrs G disagreed, she said R was not paid to work as a mentor dog at the school and she has not had any monetary gain. She has paid for the treatment and is now in the region of £3000 in debt as the insurer has not paid the claim(s). She has said she was dual insured but used the school policy as the dog became unwell when she was at work with it and her vet recommended she claim on the policy with the larger limits.

Mrs G has said she never claimed off her personal policy as by the time she had an answer on her claims from Covea it was beyond the period she thought she'd be able to claim for (90 days) on her personal policy.

Our Investigator looked into the complaint and upheld it. He said Covea should reinstate the policy and reconsider the claim under the remaining terms and conditions. If the claim is successful, then Covea can remove the refund of the premiums from the settlement amount. He also agreed that the £200 was fair for the delays but felt a further £200 compensation should be awarded for unfairly avoiding the policy.

Covea have disagreed. It said in summary, it didn't void the policy it just put the customer back in the position they would've been had the policy never existed. It reiterated it didn't provide cover for dogs receiving payment for their services. In this case R received a free insurance policy paid by the school, so this then makes it a commercial agreement. It says their policies are strictly consumer products and it is unable to provide a policy for a commercial agreement. It said it wasn't aware that Mrs G was dual insured.

Covea said it offered for Mrs G to pay the school the premium, the school would need to provide a statement to say it had received a refund from Mrs G so in effect she had paid for it. Then it would keep the policy in place as this would then be a consumer arrangement. It said Mrs G didn't take this offer up and it thinks this is because Mrs G has said she has another policy, so the dog was dual insured.

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.

Firstly, I can see Mrs G's dog has sadly passed away. I send my condolences to her at this difficult time. I can appreciate that still dealing with this complaint is not making that any easier to come to terms with.

Covea has suggested it didn't void the policy but that is what happened. To decide whether it was fair to do this, I've taken into account the relevant law, which for consumer contracts is the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA).

I'm satisfied that the policy was taken out with the intention of it being a consumer policy and even if I was wrong on this matter I think it is fair to apply the principles of CIDRA in this case.

CIDRA 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.

Covea has avoided the policy from inception, so it's clear that Covea thinks Mrs G failed to take reasonable care not to make a misrepresentation when she took out the policy. She was asked to confirm a number of assumptions, including the following:

"You and your pet must meet the following criteria to be eligible to take out a policy:

...

- Your pet is not used for commercial breeding or monetary gain."*

Mrs G's disclosure document shows she confirmed R was a working dog and met the eligibility which included that R is not used for commercial breeding or monetary gain. Covea says Mrs G should not have confirmed this.

I'm satisfied the documentation was clear. So, I've thought about whether Mrs G took reasonable care when taking out the policy and whether in answering/confirming eligibility Mrs G provided inaccurate information.

Mrs G has explained that she put R forward to be used as a therapy dog where she worked. The school used a third-party company to assess R and when accepted that R was suitable to be used in the mentoring programme, it recommended that the school use Covea as an insurer as it covered other schools using mentor dogs.

Mrs G has said that R was not paid for his work, and she had her own personal pet insurance policy. Mrs G has never paid for this policy with Covea, but she also wasn't personally reimbursed for this policy. I can see there is an argument that Mrs G benefitted in that she got a free policy, but I think the key point here is that the eligibility criteria say R will not be "used" for monetary gain which clearly, he was not. So, even if I agreed that Mrs G got some benefit from the insurance, this doesn't mean R was being used for monetary gain. It is accepted that R was not paid to attend the school so there has been no monetary gain. The key point about the eligibility criteria is that the policy is limited to pets, not dogs that are used commercially for breeding or other activities for monetary gain. Mrs G's dog was her pet. She didn't use her dog for commercial activities or to make money.

In these circumstances I'm not persuaded Mrs G failed to take reasonable care or there was a misrepresentation. So, it wasn't fair to void the policy. Covea should reinstate the policy and deal with the claim in line with the policy terms.

Mrs G has said that Covea's delay in making a claim decision meant she was unable to claim through her personal insurance policy. This is not necessarily the case, and she could potentially have still made a claim on her personal insurance policy albeit it might have been out of time. However, Covea offered and paid £200 for the delay in making a claim decision which I think is fair and reasonable for the delay it caused. So, I won't be asking it to increase the compensation for the delay, but I agree with our Investigator that it should pay an additional £200 for the distress caused by the voidance.

Covea has also said it wasn't aware Mrs G had other insurance. I've listened to the call Mrs G had with Covea when she was looking to take out the policy. She clearly explained that her dog was already insured and queried the actual need for this policy as Covea had explained it wasn't covering liability. Mrs G agreed to check this with the mentoring company and would call Covea back. So, I disagree with Covea that it had no knowledge of Mrs G having dual insurance. And the call agent made no attempt to ask for any further details from her at this time, and it didn't indicate this would make a difference to the cover it was offering.

Where there's dual insurance, if a claim is accepted, we'd usually expect the insurer that was contacted first by the policyholder to take responsibility for it. If it wishes to, Covea can then try to recover 50% of any claim settlement costs from the other insurer.

Putting things right

Covea Insurance plc should:

- reinstate the policy and reassess the claim in-line with the remaining terms and condition of the policy. It can deduct from any claim settlement the amount it has reimbursed for the premiums.
- Pay in total £400 compensation for the distress and inconvenience. If Covea have already paid the £200 compensation it offered it can deduct this from the payment.

My final decision

For the reasons set out above, I've decided to uphold Mrs G's complaint and direct Covea

Insurance plc to take the steps and pay the compensation set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 17 December 2025.

Angela Casey
Ombudsman