

The complaint

Mrs A's complaint is about a claim she made on her Covea Insurance plc pet insurance policy.

Mrs A says that Covea have treated her unfairly.

What happened

The background to this complaint is well known to both parties. As such I won't repeat it here. Instead, I'll focus on giving reasons for my decision.

I issued a provisional decision in which I said:

"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 agree that Mrs A's complaint should be upheld, but for different reasons and with a different remedy to that set out by the investigator. I appreciate that both the investigator and Mrs A have referenced the Consumer Duty. In this decision I haven't done so because I don't think it adds anything to the remedy I've proposed. Rather my remedy takes the Duty into account.

I've broken down the issues I've considered under the headings below.

Misunderstanding of the initial claim and incorrect information

My understanding is that Covea said they weren't prepared to consider Mrs A's claim from the outset because they thought the date she took out cover was the same day the insurance began to run and that her claim therefore fell within the 14-day exclusion period applicable to all claims for illness. That wasn't right. Mrs A did take out the policy on 6 August 2024, but it didn't start to run until 7 August. The first day she was able to make a claim that was outside of the exclusion period was for illnesses that started on 21 August. It's clear from the evidence I've seen and Covea's own admission that a number of their advisors got this wrong when Mrs A discussed this with them and that this caused her both distress and inconvenience at a difficult time and in challenging circumstances. Covea have now accepted that they should have offered Mrs A compensation for this and have agreed that £200 is acceptable to them. I think this figure fairly compensates Mrs A and aligns with awards we'd make in similar circumstances. So, I think Covea should pay her this.

Cancellation of the policy

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.

In this case, Covea cancelled Mrs A's insurance with effect from inception on the basis that she misrepresented the position about her pet not yet living with her at the start of cover. They say she made a qualifying misrepresentation in this regard which was careless and as such they were entitled to cancel the policy and refund the premium to her.

I've looked at the assumptions presented to Mrs A at the time she purchased the policy. They say "Both you and your pet(s) permanently live at the address provided" and "You are the owner and keeper of the pet". In this case Mrs A purchased the pet on 6 August 2024 and bought insurance to begin the following day. She didn't however bring the pet home until 20 August. Her evidence is that she wasn't well enough to collect the pet and that she wanted to ensure she was covered for any risks for it pet before she did so. Mrs A also says that her intention was always for the pet to reside with her permanently once she brought it home.

Whilst I appreciate that Covea's underwriting criteria set out that they wouldn't provide cover where the pet was not yet residing with the policyholder, I'm not persuaded that the assumptions as drafted were clear enough that Mrs A would have reasonably understood that a short gap in bringing the pet home from the person she bought it from amounted to the pet not permanently living with her or that she was not at the time the keeper of the pet. And I think it's a common scenario that a gap in time might well occur between an animal being purchased and being brought home. That in itself however would not necessarily amount to the reasonable assumption that the animal was not intended to be permanently living with the owner or that the owner was not the registered keeper. So, I don't think Covea made their assumptions clear enough in this case. Mrs A has said that she might have sought cover for her pet elsewhere had the meaning of the assumptions been made clear to her. Whilst I can't say whether other policies would have covered her in that scenario, I think that making the term clear from the outset would have most certainly flagged the issue to Mrs A, such that she would have sought to ensure that she was in a position to protect her pet. After all that was the reason, she sought to buy insurance for it from the date she purchased it so it was always her intention to ensure it was covered. Had Covea been clear, I think that it's likely therefore that, Mrs A might well have made other arrangements to bring the pet home on 6 August, even if she was too unwell to do so herself.

For that reason, I don't think that Mrs A did reasonably misrepresent the position to Covea, as the assumptions themselves were unclear. Because of this I don't think Covea were entitled to cancel the policy in the way that they did.

It follows that they should put things right as I've set out below. Mrs A should note however that I find it very unlikely that Covea will pay her claim for treatment costs to her pet on 21 August 2024 because the conditions claimed for are in my view likely to have begun during the first 14 days of the policy being in place, and this is excluded by the policy. I note that Mrs A has said her pet wasn't presenting with symptoms for these conditions and these problems were identified by her vet when she took it for a routine check up on 21 August 2024. Covea will be entitled to review the position with reference to her vet's clinical notes and to consider any symptoms her pet might have been experiencing before that date when determining whether that claim is payable.

Putting things right

Covea should:

- *Reinstate Mrs A's policy from the policy start date of 7 August 2024 subject to payment of the policy premium which may have been refunded to her.*
- *Remove the voidance of the policy from all databases.*
- *Reconsider Mrs A's claim under the policy terms and any further claims she wasn't able to make as a result of the policy being cancelled.*
- *Pay Mrs A interest on any claims that Covea accept and pay out at the rate of 8% per year simple, from the date Mrs A paid any vet's fees until the date she is reimbursed. Alternatively, if Mrs A has paid any interest on money borrowed to pay vet's fees that Covea reimburse her for, she can claim for this if it is higher, but she will need to provide Covea with evidence of the interest she has incurred.*
- *Pay Mrs A £200 in compensation for the distress and inconvenience she has suffered."*

I asked both parties to provide me with any further comments or evidence in response to my provisional findings. Mrs A has responded but Covea hasn't. Mrs A has confirmed her acceptance of my provisional decision.

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.

Given Mrs A's acceptance of my provisional findings and in the absence of any further submissions or evidence from Covea, I'm satisfied that the outcome I reached and the reasons for it are correct and still stand. For those reasons I take the view that Covea did something wrong and need to put things right as set out below.

Putting things right

Covea should:

- Reinstate Mrs A's policy from the policy start date of 7 August 2024 subject to payment of the policy premium which may have been refunded to her.
- Remove the voidance of the policy from all databases.
- Reconsider Mrs A's claim under the policy terms and any further claims she wasn't able to make as a result of the policy being cancelled.
- Pay Mrs A interest on any claims that Covea accept and pay out at the rate of 8% per year simple, from the date Mrs A paid any vet's fees until the date she is reimbursed. Alternatively, if Mrs A has paid any interest on money borrowed to pay vet's fees that Covea reimburse her for, she can claim for this if it is higher, but she will need to provide Covea with evidence of the interest she has incurred.

Pay Mrs A £200 in compensation for the distress and inconvenience she has suffered.

My final decision

I uphold Mrs A's complaint against Covea Insurance plc and direct them to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 24 September 2025.

Lale Hussein-Venn
Ombudsman