

The complaint

Ms J complains about deductions made by Red Sands Insurance Company (Europe) Limited from a claim on her pet insurance policy.

What happened

Ms J went to the emergency vet as her cat had diarrhoea. The vet gave some treatment and advised her to see her usual vet the next day. She did so and her vet said further investigations were needed. An ultrasound confirmed that her cat had lymphoma. Very sadly, her cat died a few days later.

Ms J claimed on the policy for the treatment costs for both vets. Red Sands initially declined the claim but after receiving further information, the claim was paid. Ms J was unhappy, however, with deductions taken from the amounts claimed.

After reviewing the complaint, Red Sands said it had incorrectly taken two excess payments; as this all related to the same condition there should only have been one excess, so it refunded the second excess. But it said the other deductions had been made correctly.

Our investigator agreed the deductions were correct but Ms J remains unhappy and has requested an ombudsman's 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.

Ms J has explained how difficult it was dealing with the sad loss of her cat and then finding that her claim wasn't paid in full. I appreciate this was a very distressing time for her but I'm satisfied the way the claim was settled is fair, for the following reasons:

- 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. They should settle claims promptly once settlement terms are agreed.
- The starting point when deciding whether the claim was dealt with fairly is the policy terms; these set out the terms of the insurance contract agreed between Ms J and Red Sands.
- The policy terms say there is an excess for claims, and a co-payment for cats over 10 years old, as set out in the policy schedule. Ms J's policy schedule confirms the excess is £159 and the co-payment is 20%.
- The terms also say there is no cover for food costs (unless prescribed to treat bladder stones), admin fees or admission charges.
- There is a summary of claims limits, which include a limit of £200 for 'out of hours' vets and a limit of £21 for blood samples.

- The investigator set out all the deductions in some detail when she gave her view on the complaint. I won't repeat them all here. But deductions were made for food costs, an admission fee and admin fees. These are not covered by the policy. The other deductions were for the out of hours charge and blood sample because the amounts claimed were above the limits set out in the policy documents. Red Sands paid up to the limit for each of these.
- Red Sands then deducted the policy excess of £159 and the 20% co-payment. (Two excesses were initially taken but Red Sands refunded one of these).
- This left an amount payable of £609.39 and Red Sands has paid that. So it has paid the amount Ms J was entitled to, in line with the various limits set out in the policy documents, and after deducting the policy excess and co-payment.

My final decision

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 3 March 2026.

Peter Whiteley
Ombudsman