

The complaint

Mrs W is unhappy with what Casualty & General Insurance Company (Europe) Ltd (C&G) did after she made a claim on her pet insurance policy.

What happened

In 2025 Mrs W claimed on her policy for treatment her dog (C) had received for an allergic ear problem. C&G reviewed C's veterinary history and found he'd been treated for an ear problem (otitis externa) on 14 November 2023. That was prior to the policy being taken out on 19 December 2023. It thought the claim related to a pre-existing condition (which had been treated in the 24 months prior to the claim being made). The policy excluded cover where that was the case. Mrs W's vet then sent an email saying when C was treated in November 2023 there was "*no systemic involvement or indication of allergic disease*" which wasn't diagnosed until May 2024. C&G didn't change its position.

Our investigator didn't think C&G had shown the ear problem which affected C prior to the policy being taken out was linked to the issue which subsequently gave rise to her claim. In addition, Mrs W wouldn't have thought the November 2023 problem was likely to require further investigation or treatment in future. She didn't think C&G had correctly or fairly turned down the claim. She said it should pay this subject to the remaining policy terms (plus interest at 8% simple on any amounts Mrs W had already paid that were reimbursed to her).

C&G didn't agree. It reiterated what the policy said about pre-existing conditions. In this case C had clinical signs of otitis externa prior to the policy being taken out. That condition was often associated with an allergic or inflammation process. The vet's notes showed there were then recurring incidences of the same problem after the policy was taken out and the symptoms prior to policy inception were consistent with those that continued thereafter. Mrs W's vet hadn't identified a different underlying cause for these issues. And the policy excluded cover for pre-existing conditions regardless of whether the policyholder was aware prior to inception the problem was part of a longer term condition.

So I need to reach a final 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.

The relevant rules and industry guidelines say C&G has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably. Mrs W's policy covers the cost of treatment recommended and administered by a vet as a result of an illness or injury. But it doesn't cover "*any pre-existing condition*". The policy defines that as "*any diagnosed or undiagnosed condition, related condition or bilateral condition which has happened or has shown signs or symptoms of existing in any form in the last 24 months before the policy start date or within the waiting period. We can start covering some conditions again if they haven't needed – or been recommended to have – treatment from you or the vet in the last 24 months...*"

Where an insurer is relying on an exclusion like this to decline a claim the onus is on it to show, on balance, that it applies. It isn't, in the first instance, for the policyholder to show it doesn't. In this case it's clear C was treated for an ear problem in November 2023 prior to the policy being taken out. The notes from the time say "*Itchy right ear - canal fairly open, no hair, minimal wax but some purulent discharge, TM [tympanic membrane] intact - adv topical meds for otitis*". It's also clear the claim Mrs W subsequently made related to an ear problem. However, in order for the exclusion to apply the underlying cause of the two issues would need to be the same.

When Mrs W made her claim the ear problem had been diagnosed as an allergic reaction. However, the evidence as to whether that was also the cause of the problem in November 2023 is very limited. There's no suggestion of an underlying allergic cause for the problem in the vet's notes from the time and no diagnosis was given until some months later (and after the policy had been taken out). And Mrs W's vet has said "*At that time [November 2023], there was no systemic involvement or indication of allergic disease*".

C&G's main basis for saying the issues are linked appears to be that the symptoms were the same. But while there clearly are similarities I also think there were marked differences. On examination of C in May 2024 the notes say "*bilateral OE- Stenotic ear canals, which are at present erythematous which large amount of pale brown waxy exudate present, very sensitive when ears examined with otoscope*". Those are quite different observations from those found when C was examined in November 2023.

I appreciate those could nevertheless result from progression of the same underlying condition. And it is possible that, as C&G argue, the trigger for all the ear problems which affected C was the same allergic reaction. But otitis externa has a number of common causes including bacterial or fungal infection. So the fact an allergic reaction was subsequently diagnosed doesn't in itself mean that was the cause of the ear problem which affected C in November 2023. C&G hasn't obtained any veterinary evidence of its own and I don't think it's done enough to show, on balance, that the condition Mrs W claimed for is the same as the one which affected C prior to the policy being taken out.

That means I don't need to consider whether Mrs W should have known that condition might require further investigation or treatment because C&G hasn't shown it relates to her claim. It follows that I don't think C&G acted correctly in turning down that claim. It will therefore need to pay that claim subject to the remaining policy terms. It will also need to pay interest at 8% simple on any amounts Mrs W has already paid to the vet from the date payment was made until the date settlement is made. I've considered whether any further payment should be made to Mrs W but, while I accept her claim being wrongly turned down will have caused her some distress and inconvenience, I don't think in the circumstances of this case the nature and extent of that is something which warrants a remedy.

My final decision

I've decided to uphold this complaint. Casualty & General Insurance Company (Europe) Ltd will need to put things right by doing what I've said in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 14 May 2026.

James Park
Ombudsman