

The complaint

Mrs A complains that Red Sands Insurance Company (Europe) Limited (“Red Sands”) has unfairly declined a claim under her pet insurance policy.

Where I refer to Red Sands this includes the actions of its agents and claims handlers for which it takes responsibility

What happened

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

- Mrs A holds a Lifetime pet insurance policy, underwritten by Red Sands which was inceptioned on 24 May 2024.
- Mrs A submitted a claim for treatment following a flare up of Otitis externa (OE) and Pseudomonas aeruginosa in January 2025.
- Red Sands declined the claim because it says from the dog’s medical history it shows that her dog had been treated previously for OE and Pseudomonas Aeruginosa prior to the policy start date.

Our Investigator looked into the complaint and didn’t uphold it. Mrs A disagreed. So, the complaint has been passed to me, an Ombudsman, to make a 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 guidance require businesses to handle claims promptly and fairly, provide information on the claim’s progress, and to not unreasonably reject a claim.

When making a claim under an insurance policy, the onus is on the policyholder to prove they have a valid claim. If they do, the insurer should cover the claim unless it can prove that a policy condition or exclusion applies.

Mrs A has shown that her dog required treatment for both his ears the vet diagnosed OE in both ears. Swabs were taken and this showed profuse growth of Pseudomonas Aeruginosa in both ears which is something the policy provides for. So, on the face of it, Mrs A has demonstrated that she has a valid claim.

Red Sands is seeking to rely on a policy exclusion; the onus is on it to show the exclusion applies.

The policy terms are clear that Red Sands won’t cover pre-existing conditions. The policy defines pre-existing conditions as:

“... a condition to be pre-existing if it was first noticed before your policy start date or within the waiting period, whether they needed treatment previously or not.”

It also says:

“Any injuries caused by accident or illnesses your pet had before you took out this policy will also be considered pre-existing conditions. This includes any complications or conditions that later appear because of the illness or accident.”

I've therefore gone on to consider the clinical history and the letter from Mrs A's treating vet. I can see there is an entry for Bilateral – OE this was being treated between the 20 July 2021 and 18 August 2021. There is further entry for OE on right ear on 18 February 2022 and by the 2 March 2022 both ears had discharge. Swabs were taken and this showed profuse growth of Pseudomonas Aeruginosa.

On 11 July 2022 discharge in both ears. Vet said due to Pseudomonas being diagnosed just a few months previously where an ear flush was done the vet says they will target this again.

Mrs A's vet says the infection was resolved and there were no further flare ups until March 2023 this time it took a long time to get the infection under control and it wasn't until June 2023 that the swabs showed the ears were clear of infection.

I am satisfied that this shows Mrs A's dog was treated for OE and Pseudomonas Aeruginosa prior to the inception of the policy on 24 May 2024 and it was therefore fair for Red Sands to rely on the policy terms and conditions to decline the claim.

However, under this Service's fair and reasonable remit even if a condition that has been deemed pre-existing, our Service will always consider whether the consumer knew – or ought reasonably to have known – there was something wrong that was likely to lead to further investigation/treatment.

Mrs A had calls with Red Sands agents around the time of inception, I've reviewed the transcripts, and I can see Mrs A did discuss the ear infections. And while I accept the agent said if there was a significant gap between instances these would be considered new. Considering the whole conversation, it is clear Mrs A was aware her dog has had ear infections. She said, *“I think there's probably some underlying reason I haven't got on top of, and I think it probably is a continuation”*.

I appreciate Mrs A incepted this policy about a year after the last infection, but on receipt of her policy she was also directed to read the policy carefully. From what I've seen I'm satisfied Mrs A was aware there had been previous treatment for ear infections and Pseudomonas Aeruginosa. I am satisfied she was aware there was something wrong that was likely to lead to further investigation/treatment. So, I won't be asking Red Sands to do anything further.

My final decision

For the reasons I've explained, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 20 April 2026.

Angela Casey
Ombudsman