

## The complaint

Mr H complains that Casualty & General Insurance Company (Europe) Ltd (“C&G”) unfairly declined a claim under his pet insurance policy.

Where I refer to C&G, 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.

- Mr H held a pet insurance policy for his cat, underwritten by C&G, effective from 26 January 2024.
- In June 2025, Mr H took his cat to the vet as she was scratching her ears and making them bleed. The vet recommended surgery to remove polyps in the ear. Mr H made a claim under his policy for the cost of the treatment.
- C&G declined the claim. It said Mr H’s cat had suffered from ear polyps since before the policy started so it was a pre-existing condition.
- Mr H disagreed. He said his policy provided cover for pre-existing conditions if no treatment had been required in the last 24 months. And, whilst the ear polyps had been noted in 2022, they weren’t causing a problem at that time, and no treatment has ever been needed prior to this claim. He provided a statement from the treating vet confirming this was the case.
- C&G maintained its decision to decline the claim. It said the policy says “*some*” conditions will be covered if no treatment has been needed for 24 months, and as the ear polyps had been present for the whole time, it wasn’t prepared to extend cover to this condition.
- Mr H didn’t think this was fair, so he raised a complaint which he brought to our Service. He told us that as he wasn’t in the financial position to pay for the surgery without the support of his policy and his cat’s condition was deteriorating, he’d made the difficult decision to put his cat to sleep.
- Our Investigator upheld the complaint. She didn’t think C&G had declined the claim in line with our approach to pre-existing conditions nor had it applied its policy terms fairly.
- To put things right, our Investigator recommended C&G pay Mr H compensation of £500 for the distress and inconvenience he’d experienced due to having his claim unfairly declined and the sad consequences that came as a result of this.

Mr H accepted our Investigator's recommendation, but C&G didn't. So, the complaint has been passed to me 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.

Having done so, I've reached the same outcome as our Investigator, and for broadly the same reasons. Before I explain why, I wish to acknowledge the parties' submissions in respect of this complaint. Whilst I've read them all, I won't comment in detail on every single point that has been made. Instead, I'll focus on the key points that are relevant to the outcome I've reached. That's in line with our remit, which is to resolve complaints promptly and with minimal formality.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires businesses to handle claims promptly and fairly, provide information on the claim's progress, and to not unreasonably reject a claim. I've kept this in mind when considering Mr H's complaint.

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 pay the claim unless it can prove that a policy condition or exclusion applies.

In this case, Mr H has shown that his cat required treatment for ear polyps, which is something the policy covers. So, on the face of it, he's demonstrated he has a valid claim.

As C&G seek to rely on a policy exclusion, the onus is on it to show the exclusion applies. The relevant policy terms say:

*"Section 1: Veterinary Treatment  
What you are NOT covered for...any pre-existing condition."*

The policy provides the following definition:

*"Pre-existing condition  
means 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. If a vet says a condition does need treatment during this time, and you delay getting it, we won't cover that condition. We do not cover any pre-existing chronic conditions; for example, diabetes, arthritis and epilepsy."*

There is no dispute that Mr H's cat suffered from ear polyps prior to the start of the policy. These were identified at a check up in 2022, and recorded in the clinical history as follows:

*"03/10/2022 Ears - bilat multiple growths all throughout canals, no erythema or discharge at the moment, looks clean, not causing a problem right now."*

On a strict interpretation of the policy terms, the ear polyps are a pre-existing condition because they were present before the policy cover started.

However, my role is not only to determine whether C&G's decision was in line with the policy terms, but also whether the way the policy terms were applied was fair and reasonable in the circumstances of the claim. And I don't think they were. I'll explain why.

When considering whether a condition can be fairly excluded as pre-existing, our Service will always consider whether the consumer knew – or ought reasonably to have known – there was something wrong with their pet that was likely to lead to investigation / treatment before the policy started.

Whilst I acknowledge Mr H knew about the ear polyps and was told they were “*not a problem right now*” – indicating that they could be a problem in the future – this was in October 2022, approximately 15 months prior to the policy being taken out. His cat hadn't needed any treatment at all during that time even though the ear polyps were present, so I don't think he should've reasonably known in January 2024 that there was something wrong with his cat which was likely to lead to investigation / treatment. This is further supported by the fact that the ear polyps didn't go on to cause a problem until June 2025 - a further 17 months after that.

For these reasons, I'm not persuaded the ear polyps could be fairly declined as a pre-existing condition. But even if I was, the policy's definition of pre-existing conditions say C&G can start covering a condition if it hasn't needed treatment in the last 24 months – which is the case here.

The ear polyps hadn't needed any treatment at all since the diagnosis in October 2022. So at the time of making the claim, the policy's terms had been satisfied, and this condition was eligible to be covered.

I appreciate the policy says “*some conditions*” can be covered, which gives C&G the discretion to decide what conditions it will cover. But we'd expect this discretion to be applied fairly and reasonably. C&G hasn't offered an explanation as to why this condition couldn't be covered despite not needing any treatment for in excess of 24 months. So I'm not satisfied the policy terms have been applied fairly.

This is in accordance with our long-standing approach, which C&G will be aware of through previous decisions issued by this Service. It's important to highlight that under Consumer Duty, C&G are required to learn from our decisions and it's disappointing to see that it still hasn't.

### **Putting things right**

Where we find that a business has done something wrong, it's not our role to fine or punish it. Instead, we'll tell it to take action which puts the customer back in the position they would've been in had everything been done correctly. And where that isn't possible, we may direct a business to pay a compensation award which reflects the impact its actions have had on its customer.

In this case, Mr H's claim was declined unfairly. Our usual approach would be to direct C&G to pay the claim. But that's not possible here, because Mr H has now put his cat to sleep as he couldn't afford to pay for the treatment himself. So I've had to decide what amount of compensation fairly reflect the impact C&G's actions have had.

I've no doubt Mr H and his family would've suffered a great deal of distress and inconvenience. It's difficult to put a figure on what that amounts to. Awarding compensation isn't an exact science; there is no way to quantify someone's feelings, and no amount of

money can take away what someone has been through – especially when it involves the loss of a pet's life.

But overall, I'm persuaded £500 is fair in the circumstances. Ultimately, it was Mr H's decision to put his cat to sleep without the outcome of his complaint, and I can't hold C&G responsible for that decision. But, had C&G handled the claim correctly in the first instance – bearing in mind that they are well versed in our approach to complaints of this nature – this outcome could've been avoided.

### **My final decision**

For the reasons I've explained, I uphold this complaint and direct Casualty & General Insurance Company (Europe) Ltd to pay Mr H compensation of £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 May 2026.

Sheryl Sibley  
**Ombudsman**