

The complaint

Mr T complains that Allianz Insurance Plc declined a claim on his pet insurance policy and added an exclusion, backdated to the start of his policy.

What happened

Mr T took out insurance for his pet dog. The policy started on 20 May 2025. On 6 June, he went to the vet because his dog had a problem with her right hind leg.

The vet suspected it might be an issue with the cruciate ligament and arranged some x-rays, which were done a few days later. These confirmed Mr T's dog had cruciate ligament disease in both rear legs.

Mr T made a claim on his policy but Allianz declined the claim. It said the clinical notes showed the problem had been present before the policy started, and the policy doesn't cover pre-existing conditions.

Allianz also said Mr T had failed to disclose various issues with his dog when he bought the policy, so there had been a misrepresentation, and if there had not been any misrepresentation it would have added some exclusions to the policy. So it added those exclusions and backdated them to the policy start date. One of the exclusions was for "claims resulting from or connected to Cruciate Ligament Damage - Both Hind Limbs". Allianz said this applied to his claim.

Mr T disagreed and complained. Our investigator said the problem had shown signs during the first 14 days of the policy, and the policy doesn't cover conditions that are seen during that period, so it was fair to decline for that reason. But she didn't think there had been a misrepresentation when Mr T bought the policy, so she asked Allianz to remove the exclusion, and pay some compensation.

Mr T accepted the investigator's view but Allianz disagrees 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.

Having considered everything carefully, I think it was fair to decline the claim, but Allianz should not have added the exclusion to the policy. My reasons for reaching this conclusion are as follows:

- 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. The starting point when deciding whether the claim was declined fairly is the policy terms.

- The policy conditions say there's no cover for a condition where "... **your pet has symptoms of an illness in the first 14 days of their first policy year...**" Terms like this are not unusual in pet insurance.
- The policy started on 20 May 2025. Mr T went to the vet on 6 June because the dog had a problem, and the vet noted "*Around 1 week ago, hurt her leg, limping, rest for the last week or so, seemed to improve. Then a couple of days ago suddenly took a turn for the worse.*"
- So the problem was present around 30 May. That was during the 14 day period, which means it was fair to decline the claim.
- Mr T has accepted this, but is still concerned about the exclusion that was added for cruciate ligament damage, which could potentially affect future claims.
- To add a retrospective exclusion, backdated to the start of the policy, Allianz needs to show there was a misrepresentation by Mr T when he bought the policy.
- The relevant law in relation to this 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 an insurance policy. The standard of care is that of a reasonable consumer.
- If a consumer fails to take reasonable care and makes a misrepresentation, the insurer has certain remedies if there is a qualifying misrepresentation, as defined in CIDRA. For it to be a qualifying misrepresentation the insurer has to show it would either have offered the policy on different terms or not offered it at all, if there had not been a misrepresentation.
- CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. One of these is how clear the question asked was.
- When Mr T bought the policy he was asked a number of questions, including:
"*Has [pet's name] shown signs of illness or injury or been unwell either now or in the past?*"
"*Has [pet's name] ever needed to see the vet for any reason?*"
- I think the questions were clear.
- In response to these, Mr T said "*Mild arthritis in hind legs. Mass removal from mammary gland*".
- Mr T had been to the vet in March 2025 when his dog was showing signs of lameness. The vet had noted "*...intermittently lame RH. still wanting to do lots of exercise but significantly slower - esp during the evening... crepitus stifles and mildly reduced ROM hips bilaterally. Discussed OA options - O elected to trial NSAIDs*"
- So Mr T was aware of a problem, which the vet said was likely due to osteo arthritis. They recommended using anti-inflammatories, which he says seemed to resolve the issue.
- Allianz says Mr T wouldn't have known the crepitus or the lameness were associated with cruciate ligament disease. But it specifically asked for any symptoms of a potential illness or injury, so he should have disclosed all these symptoms.
- Although Mr T disclosed the arthritis, he did not disclose all the symptoms surrounding the condition. Allianz says his pet didn't just have mild arthritis in the hind legs, she had arthritis and lameness and reduced range of motion in the hips – these indicate more than just mild arthritis.
- I appreciate there were several issues. But as far as Mr T was aware, these related

to arthritis, and he disclosed that. I think that was a reasonable answer to give – he disclosed what he thought the problem was. On that basis, I'm satisfied he took reasonable care when he answered the questions.

- Allianz has provided detailed submissions about what it would have done if Mr T had disclosed the full range of symptoms. But as I don't think he failed to take reasonable care, I don't think there was a qualifying misrepresentation. So Allianz wasn't entitled to add an exclusion in relation to this.

It follows that Allianz should remove the exclusion for claims relating to cruciate ligament damage from Mr T's policy.

As I've explained, this claim isn't covered anyway, but other claims might have been caught by that exclusion and it wouldn't be fair to leave the exclusion in place in these circumstances.

While it is fair to decline this specific claim, having the wider exclusion – which would potentially prevent other claims – added to his policy was upsetting for Mr T. In the circumstances, it's fair to compensate him for the distress caused by this.

Mr T has asked whether any future claims for cruciate damage in his dog's other leg – or further problems in the same leg – would be covered. I can't say what would happen with future claims. This is not a lifetime policy and provides cover on a 12 monthly basis. Allianz may be able to review the terms at renewal. If a future problem is directly related to the condition that was noted in the first 14 days it might not be covered, but any claims need to be assessed in line with the relevant medical evidence and the policy terms in force at the time.

My final decision

I uphold the complaint and direct Allianz Insurance Plc to:

- Remove the exclusion for "claims resulting from or connected to Cruciate Ligament Damage - Both Hind Limbs" from the policy for the policy period.
- Pay compensation of £150 to Mr T for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 April 2026.

Peter Whiteley
Ombudsman