

The complaint

Ms B complains Wakam unfairly declined a pet insurance claim and provided poor customer service.

Any reference to Wakam includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I won't repeat events in detail. But, in brief, Ms B took out a pet insurance policy underwritten by Wakam in January 2023.

In September 2024, Ms B made claims for veterinary treatment her pet, T, received. T had presented at the vets with weight loss and vomiting. Various tests and diagnostics were carried out. Ultrasound showed a cyst on T's liver.

Sadly, following a decline in T's health, Ms B made the difficult decision to have T euthanised in late 2024. Ms B subsequently made a claim under the "farewell cover" of her policy but, Wakam declined it and the previous claims for treatment, saying they weren't covered as T's condition was pre-existing.

Ms B complained about Wakam's decision to decline the claims and how long it had taken to reach an outcome.

In its final response Wakam maintained its decision to decline the claim. It said a cyst had been identified on T's liver in December 2022, and as the medical notes showed T had been vomiting for a couple of years, it was satisfied the conditions were connected and started before the policy was taken out.

Unhappy, Ms B brought the complaint to this Service. An Investigator considered it and partly upheld it. She wasn't persuaded Wakam had demonstrated the cyst identified in 2022 was the same as that seen in 2024. And she was more persuaded by Ms B's vet who said the 2024 cyst was likely a new condition.

She said Wakam needed to accept the claims relating to the investigation into T's weight loss and reconsider the farewell claim. She said Wakam also needed to pay £200 compensation.

Ms B didn't think the Investigator's view sufficiently reflected what she considered to be the consequences of Wakam's decision to decline her claims. In summary she said:

- By declining the claims, Wakam deprived her of proceeding with further diagnostics and potentially curative treatment or palliative surgery for T.
- A CT scan had been recommended by the vet – which she would have proceeded with had the treatment been covered. The cost of the scan was approximately £3,000, and this should be paid to her in recognition of her having lost out on this.

- By limiting the reimbursement to only the tests she was able to afford, financially vulnerable customers receive less cover than wealthier policyholders, despite paying for the same product.
- £200 compensation doesn't reflect the significant distress she experienced from repeated delays, poor communication, and the emotional harm of navigating a complex and obstructive process while grieving the rapid decline and loss of her pet.
- The policy wording had changed at renewal, but this wasn't brought to her attention. Had it been, she would have looked for a new insurance provider.
- Her subject access request wasn't dealt with within the statutory guidelines. This hadn't been addressed by the Investigator.
- It didn't seem fair she would have to pay the remaining year's premiums following her pet's death.

Wakam also disagreed, in brief it said:

- The vet hasn't provided evidence which establishes these cysts, found in the same area on T, aren't the same condition.
- Ms B was aware of the cyst before inception, and the evidence shows it was pre-existing.

Our Investigator considered and addressed the parties' comments, but ultimately, her opinion remained unchanged. As the parties disagreed, the complaint was passed to me for an Ombudsman's decision.

I reviewed the complaint and issued a provisional decision, in which I said:

"What I've provisionally 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 intend to uphold parts of this complaint.

Before I explain my decision, I want to say I was sorry to read T has passed away. It's clear from reading Ms B's testimony that T was a beloved pet and his passing has undoubtedly, been a very difficult experience for her.

Whilst I recognise Ms B's strength of feeling about the complaint and these sad circumstances, my role is to decide the case with minimal formality. So, although I have considered everything, my decision will focus on matters I consider key to determining the complaint. This isn't meant as a discourtesy but simply reflects the informal nature of our Service.

From what I've seen, the key issues to be decided are:

- *Wakam's decision to decline the claims.*
- *Ms B's view that Wakam should be accountable for paying diagnostics tests which weren't performed owing to her not being able afford them at the time.*

- *Ms B's view that the compensation is insufficient for the difficulties she experienced with making the claim and that it doesn't reflect the upset Wakam's declinature caused – which Ms B considers having resulted in the premature death of her pet.*

Claim declinature

Wakam has a duty to consider claims fairly, promptly and to not unreasonably decline a claim. So, I've thought about this in the context of Ms B's complaint.

I'm satisfied the policy makes it clear pre-existing conditions won't be covered if treatment, medication or advice was received about the condition in the 24 months before the policy was taken out. Or if an untreated condition showed signs or symptoms in the 24 months before the policy started. This isn't unusual as insurers are entitled to decide what risks they want to cover.

So, what needs to be decided is whether it's fair and reasonable for Wakam to consider the liver cyst in 2024 as a pre-existing condition and decline the claims on this basis. Wakam referenced T's vomiting in its final response letter as evidence of a pre-existing condition but has since said the main reason for declining the claim is the presence of a liver cyst in 2022.

Based on the evidence, I can't be sure the cyst in 2024 is the same cyst as the one identified in 2022, or whether it's the underlying cause of T's health issues in 2022 – and therefore, connected. I say this because the treating Vet has said the cyst in 2024 is likely a new condition. Conversely, Wakam has said the cyst in 2024 is in the same area as the one identified in 2022, and is therefore, connected and a pre-existing condition.

But even if I was persuaded the cysts are the same - our approach is to consider whether Ms B knew at the time of taking out the policy there was something wrong with T which would lead to some investigation or treatment. I find she didn't reasonably know the cyst would lead to investigation or treatment – and I'll explain why.

The veterinary records from 2022 say in respect of T's liver:

“Normal echogenicity, circular cyst visible on left caudal lobe.”

Notably, there is no additional commentary from the vet about the cyst. There isn't for example, reference to monitoring it. Nor were measurements taken. The cyst appears to have been an incidental finding when other investigations were being carried out regarding T's vomiting.

This is supported by the fact the liver cyst didn't feature as a possible cause of T's ill health in December 2022. Rather, the focus and possible cause of the vomiting T was experiencing was the thickening of T's intestines – which appeared to improve following medication.

This indicates the cyst wasn't of concern to the vet at the time it was discovered, and I find it plausible that it wasn't raised as a concern to Ms B either, as she has said consistently. Wakam has said the vomiting indicated to Ms B there was a problem - but I don't think it's reasonable to attribute this to the cyst because the vet didn't make a connection between the vomiting and the 2022 cyst at that time. And the fact it took so long - approximately 22 months - for the cyst to be discovered again in 2024, reinforces there wasn't really a problem with it in 2022.

So, I find it's reasonable Ms B didn't think, at the time she took out the policy, the 2022 cyst was something which could lead to treatment. And it, therefore, wouldn't be fair for Wakam to refuse the claim for a problem Ms B couldn't have reasonably known about.

As I consider Wakam to have declined the first two claims unfairly, it needs to settle these and reimburse Ms B the costs she's incurred in paying for this treatment.

I understand a claim for "farewell cover" was declined on the same grounds – namely, because Wakam considered it to be a pre-existing condition. I've explained above why I don't think that's fair. Our Investigator said this part of the claim should be reconsidered. I don't think that's necessary and instead, Wakam should settle this claim.

Unclaimed treatment costs

Ms B has asked for additional monies beyond Wakam reimbursing her costs she's incurred because of it not accepting the claim. For example, Ms B says it should cover the cost of a CT scan which didn't happen – and which saved Wakam money. She also thinks had it accepted the claim she could have approved further treatment which may have been helpful for T. I understand Ms B's strength of feeling in respect of this, but I can't fairly require Wakam to pay her money she's not paid out.

Nor can I say with the certainty necessary that additional treatments would have had a material difference on T's health given his medical history and age. So, I won't be requiring Wakam to pay any of this.

Delays

Ms B has said Wakam took too long to decide her claims, and this caused avoidable stress and frustration at what was already a very difficult time. I've reviewed the timeline. Though it appears the claim was erroneously closed early – even with this, it took less than three weeks for Wakam to provide its initial claim decision to decline the claims. Given Wakam reached out to T's vet – as I would expect it to do – to ask for further information relating to the cyst, I find this wasn't an unreasonable amount of time.

Ms B challenged Wakam's decision, and following receipt of evidence from her vet, Wakam referred the claims to its technical team. Around this time, Ms B also told Wakam about her vulnerable situation and how she wasn't in a financial position to be able to meet T's treatment costs herself – or fund further treatment.

It seems Wakam took approximately one month to reassess the claim and tell Ms B its position remained unchanged. I'm not persuaded this was a reasonable amount of time – and I find there was an avoidable short delay at this point in the claim.

Compensation

When deciding compensation, I must keep in mind that whilst this was a very difficult time for Ms B (understandably, as a prudent pet owner, T's health and comfort was her priority) Wakam aren't responsible for the upset she experienced about T's declining health which was evident before the claim was made.

Based on the evidence, it also isn't reasonable to conclude Wakam's handling of the claim ultimately led to T's health deteriorating so much so, he was prematurely euthanised. And so, I'm not going to be recommending compensation in the region Ms B considers fair.

However, I don't consider the compensation our Investigator recommended - £200 - to sufficiently reflect the difficulties Ms B experienced. I say this because Ms B told Wakam she was in a particularly vulnerable financial situation and that she couldn't pay for further treatment herself. With this information, I think Wakam could have reassessed the claim

sooner. But of more importance, is that unfairly declining the claims led to Ms B having to use credit to pay the invoices – which added to her already volatile financial position. And this understandably, put an additional strain on her when she was already vulnerable.

From what I've seen, I'm persuaded Ms B's particular circumstances meant the impact of Wakam's unfair decisions was felt more greatly by her. And so, I consider compensation of £400 to reasonably reflect the distress I consider Wakam responsible for.

My provisional decision

My provisional decision is that I intend to direct Wakam to:

- Settle the claims in line with the remaining policy terms.
- Reimburse Ms B any treatment costs she's already paid. Wakam must add 8% simple a year interest from the date Ms B paid the invoices to the date it is refunded.
- Pay £400 compensation.”

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.

I've also considered the parties' additional comments. Having done so, I'm not departing from the findings in my provisional decision. I'll explain why.

Ms B said her acceptance of the provisional decision is on the condition interest continues to accrue until the date Wakam makes the settlement payment. This is the direction I gave in my provisional decision – and it remains the same.

Ms B also made further comment about Wakam not treating vulnerable consumers fairly. I note her strength of feeling on this, but I have considered how Wakam treated her as vulnerable consumer and upheld her complaint – which she's accepted. So, I don't consider it necessary to comment further on this.

Wakam replied to my provisional findings saying I hadn't considered its policy terms which say there is no cover for *“anything your pet has had treatment, medication or advice for in the 24 months before your policy starts”*. It said there being 22 months between the cysts being identified demonstrates it occurred within the 24-month period and is therefore, a pre-existing medical condition and excluded.

Wakam also referred to its policy term which says: *“we consider advice to include anything a vet observed and recorded in your pet's clinical history.”* It said the vet had recorded the presence of a cyst in T's clinical notes in December 2022, and so, it was satisfied advice had been given and it was, therefore, a pre-existing medical condition and not covered.

I have considered the policy's terms and acknowledge it says any treatment, medication or advice in the 24 months before the policy starts isn't covered. I agree there was less than 24 months between the cysts being identified, and accept, on strict application of the policy terms, the cyst being noted in the medical record in December 2022 amounts to “advice”.

If there were persuasive evidence which showed, for example: the cysts were the same; the vet had advised of monitoring the 2022 cyst because of anticipated problems;

medical notes confirmed it was present throughout and was causing problems; it would seem reasonable to consider the 2024 cyst a pre-existing medical condition.

However, this Service's approach is to consider whether it's fair and reasonable to apply the terms in the particular circumstances – I don't find it is here. Wakam has said the cysts are in the same area – and there's no evidence to show they aren't the same – so it must be a pre-existing medical condition. I accept the cysts are in the same area, but I can't ignore that T's vet – a clinical expert - has said the cyst in 2024 is likely a new condition.

In any event, and as explained in my provisional findings, because the medical notes in December 2022 do not indicate the cyst was raised to Ms B as a problem (and there's almost two years between the cysts being identified – reinforcing the 2022 cyst wasn't an issue at the time), I remain more persuaded Ms B wasn't aware there was a problem - which could lead to treatment - when taking out the policy. And so, I don't find it fair or reasonable for Wakam to rely on the pre-existing medical condition policy term to decline Ms B's claims.

My final decision

My final decision is I uphold this complaint and direct Wakam to:

- Settle the claims in line with the remaining policy terms.
- Reimburse Ms B any treatment costs she's already paid. Wakam must add 8% simple a year interest from the date Ms B paid the invoices to the date it is refunded.
- Pay £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 4 February 2026.

Nicola Beakhust
Ombudsman