

The complaint

Mrs B complains about the amount Watford Insurance Company Europe Limited has paid to settle a claim under her pet insurance policy.

Where I refer to Watford, 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.

- In 2024, Mrs B's dog was sadly put to sleep following urgency treatment for a splenic mass. She submitted a claim under her pet insurance policy for the associated costs of £848.89.
- Watford said Mrs B's policy didn't cover her for any costs associated with putting her dog to sleep. It agreed to pay the treatment costs, but after the policy excess and co-payment were deducted, this amounted to £5.60.
- Mrs B raised a complaint which she brought to our Service. She said the policy exclusions hadn't been clearly disclosed at the point of sale. And she's being chased by debt collectors for the outstanding money owed.
- Our Investigator didn't uphold the complaint. She was satisfied Watford had handled the claim in line with the policy terms which were clearly set out in the documentation.

As Mrs B didn't agree with our Investigator, 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.

I'd like to start by saying that I'm sorry to hear Mrs B's dog has sadly passed away. As a pet owner myself, I appreciate how upsetting this will be for her and her family, and they have my sincere condolences.

Mrs B held a Lifetime level three pet insurance policy, underwritten by Watford, which covered veterinary fees up to £5,000. The policy documentation sets out what is covered, along with the conditions and exclusions. It says:

“What you are not covered for:

- 1. The excess as shown in your certificate of insurance.*
- 2. The co-payment amount of 20% where your pet is 7 years of age or older, even if your pet turns 7 part way through a treatment period.*
- 15. Any costs associated with having your pet put to sleep including but not limited to – veterinary consultations, prescribed medications specifically needed to carry out the procedure, cremation costs, post mortem costs.*
- 30. Any administrative costs incurred by completing a claim form, vet referral letters, postage and packing fees and clinical waste fees.”*

Mrs B's claim includes veterinary fees for the out of hours euthanasia of her dog which amounts to £404.50 inclusive of VAT and the cremation plus a keepsake box or casket which amounts to £322.39 inclusive of VAT. Watford deducted these costs as they are caught by exclusion 15 above. I'm satisfied this is in line with the policy terms.

The claim also includes an insurance claim administration charge of £25.00 which Watford has also deducted as it's caught by exclusion 30 above. Again, I'm satisfied this is in line with the policy terms.

This leaves an amount of £97.00 for the cost of an ultrasound scan which is covered by the policy. Watford has deducted the policy excess of £90 and the co-payment of 20% from this amount, which gives a claim settlement of £5.60.

I appreciate why Mrs B is disappointed with the claim settlement, given how much she's left to pay herself. But I'm satisfied Watford has applied the policy terms correctly. Mrs B simply isn't covered for the costs her vet has invoiced for.

Mrs B says the policy terms weren't made clear enough at the point of sale. I'm aware Mrs B purchased her insurance through a price comparison site on a non-advised basis. This means Watford didn't give advice about or recommend the policy and it didn't need to make sure it was suitable for Mrs B's individual needs. Rather, it needed to have provided enough information about the policy to enable Mrs B to make an informed decision on whether the level of cover was right for her.

I can see that Mrs B would've been provided with the key features of the policy on the price comparison website and then redirected to Watford's website to complete the sale. At that point, she had access to the policy wording to determine if the cover was suitable for her. And she had a 14-day cooling off period should she have later decided it wasn't. The policy exclusions are on page five of a ten-page document under a clear heading of "what you are not covered for". As such, I'm persuaded the policy terms were made sufficiently clear.

I know this outcome will be disappointing to Mrs B and I appreciate the financial implications my decision will have on her. But I can't fairly ask Watford to pay a claim which Mrs B isn't covered for.

My final decision

For the reasons I've explained, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 March 2026.

Sheryl Sibley
Ombudsman