

The complaint

Miss J complains about Allianz Insurance Plc decision to decline a claim under her pet insurance policy.

Any reference to Allianz includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties. And as the Investigator detailed what happened in their view, I won't repeat events here. Instead, I will focus on the reasons for my 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.

I've also kept in mind Allianz's responsibilities as an insurer to handle claims fairly, promptly and to not unreasonably decline a claim. Having done so, I'm not upholding this complaint – I'll explain why.

From January 2021 Miss J's pet, "D", was insured under a policy which covered each illness or injury for 12 months, or up to the vet bill maximum benefit of £3,000, whichever was reached first.

On 15 August 2025, Miss J called Allianz wanting to increase D's cover. So, she took a new lifetime policy which provided £12,000 cover each year the policy renewed.

In October 2025, D had a fall and was referred to a specialist, where a diagnosis of Intervertebral Disc Extrusion (IVDE) was made. Allianz declined to cover the treatment. It said D had been seen for back pain in November 2024, and had it known this at the time Miss J took out the new policy, it would have added an exclusion to the policy for anything relating to D's back, spine, neck and/or pelvis. Adding the exclusion retrospectively meant D's treatment wasn't covered under the new policy.

Miss J is unhappy Allianz declined the claim for IVDE and had referred to an issue with D's back before the policy started. Allianz, didn't treat this as a pre-existing condition (which would not be covered under the terms of the policy). Rather, it has said Miss J failed to disclose the previous issues when she took out the new lifetime policy, so there was a misrepresentation.

When considering misrepresentation, the relevant law 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 person.

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 the consumer hadn't made the 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.

I've listened to the call during which Miss J took out the new policy. She was asked:

- Has D shown any symptoms of being unwell or injured even if a vet wasn't needed?
- Has D shown any other types of symptoms, illness or injuries?
- Has D seen a vet for any other reason?
- Have you discussed anything with your vet even if the symptoms went away or the vet had no concerns?

Miss J answered "no" to all of them. I think the questions were clear. So, Miss J should have disclosed any previous signs of illness or injury – including any discussions with the vet, even if treatment wasn't needed.

The clinical notes recorded in November 2024 state that in the last few months there had been the "*odd occasion that [D] has cried with suspected back pain.*" The vet advised "*avoid jumping etc.*" Whilst I note the purpose of the visit was for D's routine vaccinations, Miss J needed to disclose it because she was asked if D had shown any other types of symptoms, or if she'd discussed anything with the vet, even if the symptoms went away or the vet had no concerns.

I appreciate Miss J didn't think this was relevant because no formal diagnosis was made and no treatment plan was given, but I'm satisfied she was aware there had been an issue with D's back and this has been discussed with the vet. So, it wasn't accurate to answer "no" to these questions. And, as she should have disclosed the past issue, I'm not persuaded she took reasonable care not to make a misrepresentation.

Allianz has provided evidence which shows if it had been aware of D's history, it would have still offered the policy, but on different terms – by adding an exclusion for the back, spine, neck and/or pelvis. So, I'm satisfied this was a qualifying misrepresentation.

The remedy to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless. Allianz has treated this as a careless misrepresentation. Treating it as a careless misrepresentation is to Miss J's benefit, when compared to deliberate or reckless, so I find that's fair.

This means Allianz may add the exclusion it would have added if the previous issues had been disclosed. So, Miss J would have a policy on the terms that would have been offered to her if there had been no misrepresentation.

I appreciate Miss J is unhappy the exclusion has been applied but it's for insurers to decide which risks they want to accept. Allianz has shown that, if it had been aware of the previous issues, it would have added the exclusions. So, I find it's fair – and in line with the relevant law – for it to do so.

This means Miss J's claim wouldn't have been covered under the new policy, and I find Allianz's decision to decline the claim is both in line with the policy terms, and fair and reasonable in the circumstances.

14-day deferment period

Miss J maintains the claim should be covered under the new policy. But Allianz has said that even without the misrepresentation, the treatment wouldn't have been covered because D was seen on 18 August 2025 for spinal pain – which was within the first 14 days of the new policy starting.

The policy wording says *“If your pet has symptoms of an illness in the first 14 days of their first policy year, we won't cover any costs relating to that illness. This is whether treatment is needed within the first 14 days or later on.”*

This type of exclusion isn't unusual in pet insurance policies. And having looked at the clinical notes, I've seen D was seen three days after taking the policy out for spinal pain – within the 14-day period.

Miss J was told at the time of taking out the policy that it was a new policy and so a 14-day deferment period would apply to any illnesses during that time. As D was seen in the first 14 days, I find Allianz's application of this exclusion to be both in line with the policy terms and fair and reasonable in the circumstances.

Considering the claim under the previous policy

Despite the original policy no longer being in force, Allianz, considered the claim under the previous policy terms as symptoms were first noted in November 2024, whilst it was live. It agreed to pay treatment costs up to the policy limit of £3,000. I consider that to be fair and reasonable in the circumstances.

Compensation

Allianz has paid £50 compensation because it mistakenly said the retrospective exclusion it applied was 'reviewable', when it was a permanent exclusion. Whilst this didn't change the outcome of the claim, it acknowledged it may have caused some avoidable confusion.

When I consider how Allianz has handled the claim overall, I'm satisfied its customer service has been satisfactory. So, I find £50 reasonably reflects the impact of its mistake.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 28 April 2026.

Nicola Beakhust
Ombudsman