

complaint

Mr Y complains about the way in which Legal & General Insurance Limited ('L & G') handled his claim under his pet insurance policy.

My references to L & G include its agent.

background

I set out the background to this complaint in my provisional decision, which forms part of this final decision. I said I was likely to uphold this complaint but only in part. I include an extract from my provisional decision here:

"In September 2017 Mr Y took out a lifetime pet insurance policy with L & G for his cat. In January 2018 his cat was diagnosed with chronic kidney failure.

In June 2018 Mr Y made a claim to L & G. It turned down the claim as it said the kidney failure was pre-existing. Mr Y didn't agree, and his vet sent L & G evidence to support the claim. Mr Y also informed L & G that sadly his cat had passed away.

L & G turned the claim down again. Mr Y asked for a review. In mid-October 2018 L & G issued a final response letter saying it had reached the correct decision to decline the claim. But because of the vet's information it was happy not to link the chronic kidney disease with what had happened before the policy started. L & G made paid most of the claim, subject to the policy excess and co-payment.

Mr Y asked L & G to pay his claim for the remaining expenses he'd incurred since June until August, but it said he'd need to send another claim form first, signed by his vet, together with an up to date clinical history and breakdown of costs. Mr Y didn't think this was fair, given it would put him to further cost and inconvenience. L & G said it was its procedure as set out in the policy document and it needed this information to assess the claim. It issued a final response explaining its position.

Mr Y came to us. He complained that L & G had refused to process the second part of his claim without another claim form; that it closed the original claim without asking if he would make a further claim even though it was aware that his cat was suffering from a chronic condition; and that this followed delayed payment and attempts to refuse to deal with his original claim.

Our investigator thought L & G had been entitled to ask for another claim form so didn't uphold the complaint. Mr Y didn't agree, and he explained why he thought the request for a wasn't valid both under the policy's terms and in consumer law. He thought one reason for asking for a continuation claim was to inconvenience consumers in stressful circumstances so they would abandon claims they were entitled to pursue. He said L & G had received directly from the vet's practice its further statement of account and clarification of the circumstances. We asked L & G for further comments, which we've shared with Mr Y. The complaint's now come to me for review.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I intend to uphold this complaint but only in part. I'll explain my reasons.

the June 2018 claim

Mr Y did include his complaint about the handling of the June 2018 claim both to L & G and in the complaint form he sent to us, a copy of which was sent to L & G. He doesn't have to make a new complaint about the handling of that claim.

In common with most pet insurance policies the L & G policy didn't cover any pre-existing conditions, being those which showed signs or symptoms before the policy started. In the vet section of the claim form, the vet said the cat had been treated for renal failure between January and June 2018. In response to a question about whether the cat had received treatment for any of the above, or any related conditions before the vet said "Did have blood tests in 2016 because of PU/PD".

PU is polyuria (excessive urine output) and PD is polydipsia (excessive drinking). Both can be signs of kidney failure. So I think it was reasonable for L & G to ask for further information from the vet, which it did promptly. The vet indicated that the blood test results weren't available. Based on the information it had, further symptoms of PU/PD in 2017 and the same symptoms in 2018 L & G declined the claim.

But Mr Y's vet then emailed to dispute the outcome. The vet said that the 2016 blood tests came back as normal, as seen in the cat's clinical history, so the cat wasn't diagnosed with any renal issues in 2016.

L & G was relying on the pre-existing condition exclusion. So the onus was on L & G to show, on balance, it was more likely than not that the cat's condition was pre-existing. Given the vet's supporting email and the clinical history showing the 2016 blood tests were normal I don't think L & G had enough evidence to decline the claim in August 2018.

L & G said in its 30 August 2018 letter turning down the review that Mr Y's vet couldn't confirm the PU/PD was medically unrelated to the diagnosed renal failure. But that's not the correct test. It was for L & G to show, on balance, that the earlier symptoms in 2016 and 2017 were signs of chronic kidney failure. Given the vet's evidence I don't think it had shown the link. So I currently think that L & G should have paid the claim at the end of August 2018. Instead it was paid in mid-October following an underwriting review. This means I'm likely to uphold the complaint about the delay in dealing with the claim.

L & G had been aware that Mr Y's cat had passed away before making its August 2018 decision. I think it could have taken more care to review the claim in the circumstances. I think both the delay and the timing of the decision caused Mr Y some unnecessary distress and inconvenience. I'm currently minded to award moderate compensation for that. L & G did pay the claim in mid-October 2018 (following Mr Y's complaint) and taking that into account I currently assess £150 compensation to be fair.

the request for the claim form for the continuation claim

Turning to the continuation claim I don't think L & G was required to anticipate that Mr Y might make a further claim when considering the first one. I understand Mr Y's point about a chronic condition but this doesn't mean to say that a second claim will follow immediately after the first.

Even if L & G had mentioned the continuation claim to Mr Y when assessing the first one, I think it could still have required another claim form to be completed. This is usual practice in pet insurance, and I don't think asking for both a claim form and vet evidence for a continuation of a claim to be unreasonable.

Mr Y has explained that he doesn't agree the policy wording allows for another claim form. The policy index includes a section on how to claim. When turning to that section L & G explains the claim form can be downloaded or submitted online, by email, can be requested by telephone or in writing. I don't think it was a complicated process.

The policy goes on to say the policy holder must co-operate fully to give L & G the information it may need. As a condition of settling the claim:

*18.1 If requested by [L & G], the **vet** attending to **your pet** or the usual or previous **vet** must, at **your** expense, provide [L & G] with all information about **your pet**, including its full medical history or its **treatment** as [L & G] may require.*

*18.2 **You** and **your vet** will have to complete all applicable sections of **our** claim forms and submit the same to [L & G] before a claim can be assessed by [L & G]. An incomplete claim form will be returned and this will delay settlement of **your** claims. **We** will not pay any fee charged by **your vet** for completing the claim form. **Your** fully completed claim form should be returned to [L & G] without undue delay and in any event within 90 days of the incident occurring or **your** renewal if sooner.*

Mr Y says that to the extent this wording allows for a further claim form to be completed and submitted then the above wording is an unfair contract term under the Unfair Contract Terms Act 1977.

In reaching a decision that is fair and reasonable I'm required to take into account, amongst other things, relevant law. I've done so here. I think the relevant law is the Consumer Rights Act 2015, which brought together various pieces of legislation including the Unfair Contract Terms Act 1977.

Having taken into account the law I find I don't agree I can fairly say that L & G requiring a claim form for a continuation of a claim is an unfair contract term. I think the requirement for a claim form is reasonably prominent and transparent in the policy.

The claim form itself is not complicated, and can be requested and submitted in a number of ways. Mr Y has mentioned the vet fees for completing the form, but the policy clearly says that's not an expense that's covered (in common with most insurance policies which require proof of claim). I don't think the request for another claim form causes a significant imbalance between the consumer's rights and L & G's rights.

L & G has explained it needs information in the claim form to show the condition being treated, the dates of treatment, whether it's linked to a previous condition as well as the up to

date clinical history and the breakdown of the further costs. I think that's a reasonable explanation by L & G.

I don't agree that the requirement for another claim form is designed to dissuade a consumer from pursuing a claim. I appreciate Mr Y had problems with his first claim, but even if that had been smooth another claim form is required for additional costs. Mr Y says his vet did send the up to date clinical history and breakdown of costs but L & G says it didn't receive that information.

I can see that this matter has reached an impasse and I think that's partly due to the handling of the original claim. Subject to any comments I receive in response to this provisional decision, then to move things forward I suggest that if Mr Y (and his vet) now agrees to complete and submit a claim form, remaining clinical history and a breakdown of costs within 28 days of accepting my final decision then L & G should assess that claim, even though it's outside its usual timescales for accepting a claim. It should give Mr Y its decision on the claim within one month of receiving the information it needs to assess that claim. If Mr Y isn't satisfied with the outcome then he can raise that as a separate complaint with L & G and with this service, but I hope that won't be necessary."

responses to my provisional decision

L & G accepted my provisional decision and didn't have any further comments.

Mr Y said he'd also accept my provisional decision although he didn't agree with the points I'd made. He was disappointed with my interpretation of consumer law and remains of the view that L & G should not have 'closed' a claim without confirming whether he intended to submit any further invoices. He gave us his current contact details for the claim form, which we've passed on to L & G together with his preference for email communication.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Both parties have decided to accept my provisional decision. I confirm the findings I reached for the reasons given in that decision and here. I uphold the complaint in part and I require L & G to take the steps set out below. To avoid any delay I've required L & G to send Mr Y the claim form using the updated contact details we've sent him as soon as possible and, if it's not already done so, within 14 days of the date of this final decision.

I've read Mr Y's comments and I appreciate his strength of feeling in this matter. I remain of the view that L & G wasn't required to anticipate an additional claim for costs of any additional treatment when settling the original claim. Having considered all the evidence I don't agree that the request for an additional claim form is onerous or designed to wear down the claimant.

my final decision

For the reasons I've explained in my provisional decision and in this final decision I uphold this complaint but only in part. I require Legal & General Insurance Limited to:

- Pay Mr Y £150 compensation for distress and inconvenience within 28 days of the date we send it Mr Y's acceptance of my final decision. If it pays later than this it must also pay interest* on the compensation from the date of my final decision until the date of payment at 8% per year simple; and
- To consider any claim for Mr Y's remaining costs and pay it (or explain why it's not paying it in full or part) within 28 days of receiving Mr Y's completed claim form and the requested supporting information, provided that Mr Y submits his claim within 28 days of the date he accepts my final decision – and on the condition that L & G sends him the required claim form as soon as possible and, if it's not already done so, within 14 days of the date of this final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 20 March 2020.

Amanda Maycock
ombudsman

*If L & G considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr Y how much it's taken off. It should also give Mr Y a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.