

The complaint

X complains that The Equine and Livestock Insurance Company Limited trading as The Insurance Emporium ('ELIC') added a broad retrospective exclusion to his pet insurance policy.

What happened

In spring 2022 X took out a pet insurance policy with ELIC to cover his dog. In early 2023 he made a claim for a skin condition, which ELIC paid.

In reviewing the claim, ELIC reviewed the dog's clinical history. A few days before X took out the policy, his vet had noted an eye condition called entropion in one of the dog's eyes and had recommended treatment with a lubricant.

ELIC said X should have told it about the eye condition at the time he had taken out the policy, in response to this question: *"In the last 12 months, has your pet been seen by a vet for any other condition (excluding vaccinations)? If so, what for and when?"* If X had told it about the eye condition, ELIC said that it would have applied an exclusion from inception to say *"...cover excludes eyes and eyelids, sight and all related conditions."*

X thought ELIC had treated him unfairly and came to us. He said ELIC should have excluded only entropion and related conditions. He was supported in this by his vet, who said that the entropion noted just before X took out the policy was still present by May 2023, but this was not causing any issue with the dog's eye. X's vet concluded there could be no justification of a blanket exclusion for any problems with the dog's eyes. The most that would be justifiable would be to exclude any issue arising from the entropion affecting the dog's left eye.

Our Investigator did not uphold the complaint. X had not told ELIC about the dog's eye condition when he applied for the cover. Our investigator concluded that ELIC had acted fairly and in line with its policy's terms when adding the exclusion, which was in line with ELIC's underwriting guidelines. ELIC was entitled to decide the risks it wanted to cover and would have applied the same exclusion to any customer in the same circumstances.

X asked for an Ombudsman's review. He explained that he did not dispute the insurer's application of *any* exclusion. But rather he thought that ELIC had placed too broad an exclusion on the dog's eyes and vision. Hundreds of conditions could affect the eyes, and entropion is one of them. He explained he didn't expect the answer from this service to be that *"an insurer has a guide which says they can do what they want"*. He added that his new pet insurer said it will exclude only the entropion.

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 confirm my review has included reading all X's emails and his vet's letter. Having carefully considered all the evidence, I don't uphold this complaint. I will explain why, focusing on the

central issue in dispute.

X does not dispute that ELIC was entitled to apply an exclusion for entropion from his policy, but he says the actual exclusion it applied was too wide in scope.

ELIC's underwriting guide shows that if X had told it about the entropion it would have placed the following exclusion from the policy's inception date: "...cover *excludes eyes and eyelids, sight and all related conditions*." The underwriting guide is important because it demonstrates that ELIC would have treated any customer in X's position in the same way.

In adding the retrospective exclusion, ELIC has put X back in the same position he would have been in had he told X about the entropion when he applied for the policy. He could have chosen whether to accept the terms of ELIC's policy or to take pet insurance elsewhere, as he has now done.

I understand that X considers the broad scope of the exclusion to be unfair. But an insurer is entitled to decide the risks that it is prepared to cover or 'underwrite'. I cannot fairly interfere with ELIC's decision about the risk it is prepared to take when a pet has the condition of entropion. This is the case even if another pet insurer has taken a different view about its risk appetite for the same condition.

My final decision

For the reasons I have explained my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 28 August 2023.

Amanda Maycock
Ombudsman