

The complaint

Mrs E has complained that U K Insurance Limited trading as Direct Line (UKI) unfairly declined claims on her pet insurance policy and that it mis-sold her the policy.

What happened

In March 2019 Mrs E took out a pet insurance policy with UKI to cover her cat and dog.

Mrs E made a claim under the policy for the cost of treating her cat's urinary tract infection. She had previously claimed up to the policy limit of £8,000 for a urethral obstruction for which the cat had had a permanent cystotomy tube inserted to enable her bladder to be drained. UKI said the two conditions were related. So it declined the claim. Mrs E thought further tests were needed to establish whether the conditions were unrelated. Unfortunately this wasn't possible as very sadly the cat has since died.

Mrs E also made a claim under the policy for the cost of treating skin allergies affecting her dog's feet. UKI declined the claim. It said the policy didn't cover pre-existing conditions and as the dog had a history of skin issues before the policy started, it was treating this as a pre-existing condition.

Mrs E said before taking the policy out she had asked UKI whether it covered skin allergies and was told that it did. UKI couldn't find a recording of the call. It said it only waived the exclusion for pre-existing conditions in very rare circumstances and if so, it would have noted this on the policy.

Mrs E brought a complaint to this service. Our Investigator didn't recommend that the complaint be upheld.

As Mrs E didn't agree, the matter has been referred to me.

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.

Claim regarding Mrs E's cat

To decide whether UKI acted fairly, I've looked at the policy terms and conditions. The policy states that UKI will "*refund treatment costs for vet fees or complementary treatment ...up to £8,000 for each separate condition.*"

Under the heading "*What's not covered*" the policy says:

"We won't pay for ...

- *Any more costs when your vet fee limit has been reached. This can either be your monetary limit or time limit depending on the cover you have chosen. Once the vet fee limit for a condition has been used up there will no longer be any cover for*

- *The condition originally claimed for;*
- *Any recurrence of that condition; or*
- *Anything related to or arising from that condition.”*

I'm satisfied that these terms are reasonable and clearly worded. I need to decide whether it was reasonable for UKI to take the view that Mrs E's cat's urinary tract infection was linked to the cystotomy tube inserted for the urethral obstruction.

I've looked at the letter from Mrs E's vet. It said:

“It is likely that her urinary tract infections were secondary to her permanent cystotomy tube placement.”

In addition the vet's notes say in relation to the urinary tract infection that:

“It is not unexpected for cystotomy tubes to become infected.”

Based on the evidence provided by the vet I don't think it was unreasonable of UKI to conclude that the two conditions were related and as the policy limit had already been reached, not to meet the cost of the treatment for the urinary tract infection.

Claim regarding Mrs E's dog

Like many pet insurance policies Mrs E's policy doesn't cover pre-existing conditions.

The policy defines a “*pre-existing condition*” as:

“any condition or symptom, or signs of injury or illness, that happen or exist in any form before the pet was covered by this insurance”.

Under the section headed “What we don't cover” it says

“2. any claims in connection with or arising from any pre-existing condition, unless fully declared and accepted as covered in writing.

3. any claim for a recurring condition that's in any way connected to or as a result of:
i) *A pre-existing condition”.*

No pre-existing conditions were noted on the policy as having been accepted.

Mrs E's vet submitted a claim on her behalf for “*Allergies – feet*”. The dog had been prescribed with Apoquel. Apoquel is marketed as a tablet to control itching associated with allergic and atopic dermatitis.

The dog's clinical history shows that he suffered from skin issues since 2015 affecting his feet and other parts of his body. In August 2016 the vet completed an insurance claim form to another insurer for “*suspected allergic skin disease*”. In 2017 the dog started immunotherapy treatment. He was allergic to mites and/or moulds. In the same year the vet noted that Mrs E had been told the dog's skin was “*never going to be normal and management will be difficult*”. He had been prescribed Apoquel before the policy started.

In the light of this I'm persuaded that the allergies Mrs E's dog was treated for in May 2023 were the same or connected to the skin issues he'd suffered from before the policy was taken out in 2019. It follows I think it was fair for UKI to rely on the policy exclusion for pre-existing conditions to decline this claim.

Mis-sale

I've also looked at whether UKI misled Mrs E in the phone call when she bought the policy. A recording of the call is no longer available as recordings are only kept for three years for data protection reasons. The notes from the call indicate that the excess was agreed and there was no need for various optional benefits. According to UKI, its sales team follow a script when selling policies and the script includes a mention of the exclusion for pre-existing conditions. There is nothing to indicate that the call handler waived this exclusion. UKI say it would only have done this in exceptional circumstances for existing customers and at the time Mrs E was a new customer. The exclusion is also clearly set out in the policy documentation.

Based on the evidence I've seen, I think it unlikely that UKI agreed to waive the exclusion for pre-existing conditions and it's more likely that there was a misunderstanding on Mrs E's part.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 21 November 2023.

Elizabeth Grant
Ombudsman