

The complaint

Mrs W complains that West Bay Insurance Plc trading as Zenith Insurance ('West Bay') unfairly deducted a second excess when she made a claim under her pet insurance policy.

What happened

In 2022 Mrs W's dog was treated for allergies. Mr W made a claim for the vet's fees. West Bay paid her first claim less the policy excess of £200. It paid her second claim for allergies a few months later.

Mrs W thought her vet's fees were too expensive, so she changed to a practice with cheaper fees. In late 2022 she made a third claim in that policy year for her dog's allergies. West Bay paid the claim but deducted a second excess of £200. It said it could do this under the policy terms because Mrs W had used a "second veterinary practice" for the same "condition".

Mrs W thought this was unfair, explaining that she thought the second excess would be charged only if her dog had been referred to a specialist vet. West Bay said that its policy wording was clear and it had applied the excess correctly. But Mrs W saw that the second fixed excess wording had been removed from the policy on renewal. She came to us.

Our Investigator asked West Bay about its removal of the second excess. It said that this was an underwriter's decision. Our Investigator noted the strict policy terms but ultimately concluded that West Bay had unfairly applied the second excess. Mrs W had changed vets only to reduce costs, which would benefit West Bay. She recommended West Bay should refund the second excess of £200 together with 8% simple interest.

Mrs W accepted our Investigator's conclusions. But West Bay said that it was entitled to charge the second fixed excess, as clearly set out in the policy documentation. So the complaint has been passed to me for review.

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 think the fair outcome is for West Bay to refund the second fixed excess of £200 to Mrs W. I will explain why.

The policy defines "fixed excess" as "*The amount you are required to pay as part of certain claims made under the policy as shown in your policy schedule and will be payable each year for each illness or injury.*" The fixed excess for Mrs W's policy is £200. The policy says:

"The fixed excess is payable by you on a per incident, per period of insurance basis. If your pet is seen and/or treated by another veterinary practice (or specialist) for the same condition in the same period of insurance, another fixed excess becomes due for any further costs incurred from that second treating vet."

The policy defines an "incident" as "*Any clinical sign of injury or illness in your pet*".

West Bay says that it has decided only to charge one fixed excess per condition in the new (2023) policy year. It has not explained its reasons for this beyond saying it was an underwriter's decision.

West Bay also accepts that Mrs W has claimed for only one condition. But it has applied a second fixed excess because her pet was treated by another veterinary practice for the same condition.

I have noted the strict policy terms and that, for the third claim, Mrs W's pet had been treated at another veterinary practice. But under our rules I can consider whether West Bay has applied the policy terms fairly and reasonably.

In the specific circumstances of this complaint, I don't consider it was fair or reasonable for West Bay to apply a second fixed excess. Mrs W had claimed for the same condition in the same policy year, and her move to a new vet was to save her (and West Bay) money on vet's fees.

I don't consider the policy terms have been applied fairly. So I think the fair outcome in this case is for West Bay to refund to Mrs W the second £200 fixed excess with interest as set out below.

Putting things right

I require West Bay Insurance Plc trading as Zenith Insurance to refund to Mrs W the second fixed excess of £200 it deducted from allergies claim. West Bay must add interest* to this amount at the simple rate of 8% per year from the date it debited the second fixed excess from the claim to the date of settlement.

*If West Bay considers that it is required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs W how much it's taken off. It should also give Mrs W a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint. I require West Bay Insurance Plc trading as Zenith Insurance to take the steps set out in the "*Putting things right*" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 27 October 2023.

Amanda Maycock
Ombudsman