

The complaint

Mr M's complaint is about the handling of a claim under his horse insurance policy with The Equine and Livestock Insurance Company Limited ("ELICO").

What happened

Mr M took out the horse insurance policy with ELICO on 11 August 2022 for a horse he said he had recently acquired.

On 31 August 2022, Mr M contacted ELICO to make a claim, as he said the horse had become reluctant to be ridden. The vet's notes record that the horse had bilateral lameness and back pain. The vet carried out some X-rays and tests in October 2022. ELICO paid the cost of those tests. The vet said that some treatment was needed to the horse's back and leg. Mr M says he was told by ELICO that the cost of the treatment would be covered and so went ahead with this in November 2022. However, ELICO did not pay the fees for the further treatment when the invoice was sent to them.

Mr M brought the complaint to us at the end January 2023. He complained about the delay in settling the claim and said whenever he contacted ELICO to chase up the claim, he was told the claim was with senior staff for assessment. Mr M is very unhappy with the delay, as he is having to pay the vet in instalments and he was threatened with debt collectors.

ELICO said it was making further investigations as it was concerned that Mr M had misrepresented the risk when he took out the policy with it and that this was a potentially fraudulent claim. It told Mr M of its concerns in a message in February 2023.

One of our Investigators looked into the matter and said ELICO should pay £150 compensation for the delay in dealing with the claim and that it should give him a decision on the claim without further delay.

ELICO was very unhappy with the Investigator's recommendation that it pay Mr M compensation, which it says is rewarding his fraud.

As the Investigator was unable to resolve the complaint, it was referred to me. In the meantime, ELICO formally rejected the claim on the basis of fraud. It said Mr M's partner had previously insured the same horse with a policy issued in January 2022 by one of ELICO's trading names and had made a previous claim for the same issue. The claim had not progressed and then in August 2022, Mr M took out this policy saying he had only recently acquired the same horse and denying it had any previous issues or vet involvement.

I issued a provisional decision on the matter in July 2023. I set out in that provisional decision that I am only able to consider the complaint about the time taken by ELICO and its handling of the claim, not its refusal of the claim for fraud.

In my provisional decision, I said:

"ELICO paid the cost of the initial diagnostic tests. However, it then asked for some

further information and found cause to believe the same horse had been insured under a policy issued in one of its trading names and a claim already made for problems with the horse's legs. ELICO then spent some time obtaining further information about the previous policy and claim.

The information and discrepancies ELICO has referred to gave it genuine cause to query the validity of the claim. As stated I am not able to make any finding on whether the claim was fraudulent or not, in the context of this decision as no complaint about that has been raised, but from the evidence provided the enquiries and concerns ELICO had were, in my opinion, genuine ones. I think they were reasonable enquiries for ELICO to make and can understand why they might have taken some time.

Fraud is a serious allegation and we would expect insurers to have made all reasonable investigations and considered the matter properly before making any such accusation.

Given the circumstances of this case, I do not consider that the time taken was undue or excessive. And I note that ELICO was open about its position and informed Mr M in February 2023 that it had concerns about fraud and why it was looking into the matter further.

I can appreciate that Mr M may have been frustrated with the claim not being met and I can see he chased for payment to be made a number of times. However, there is no automatic right to compensation just because a claim has taken longer than might usually be the case.

In some cases delays in meeting a claim might warrant compensation. But it is only appropriate if a business has done something wrong and as I think ELICO's enquiries and the time taken were justified, given the genuine cause for concern about the validity of this claim, I do not consider that I can reasonably require it to pay any compensation to Mr M for the time taken to obtain this information and make its final decision on the claim.

Therefore, I do not agree that any compensation is warranted."

I invited both parties to respond to my provisional decision with any further arguments or information they want considered. Neither party has responded.

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.

As no further information has been provided, I see no reason to change my provisional findings. I remain of the opinion that ELICO was entitled to make the enquiries it did and the time taken in dealing with the claim was justified. I therefore do not consider that any compensation is warranted.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 September 2023.

Harriet McCarthy
Ombudsman