

## **The complaint**

Miss J complains that Red Sands Insurance Company (Europe) Limited (Red Sands) unfairly declined her pet insurance claim.

## **What happened**

In August 2021, Miss J got a rescue cat, I'll call "R". The initial medical check at the time Miss J got "R" showed her cat had a grade 3 heart murmur, but a ProBNP blood test was negative for signs of cardiomyopathy.

In July 2022 another ProBNP test was done by Miss J's new vets and this came back positive. Her vet recommended a heart ultrasound and a treatment plan. In discussing this with her vet Miss J said she was reassured that it was a new development and wouldn't be considered as a pre-existing condition. This persuaded Miss J to agree to "R"'s treatment going ahead. But when Miss J made a claim for the costs of the treatment to Red Sands they declined her claim as they said the condition was pre-existing. Miss J complained to Red Sands.

Red Sands said the grade 3 heart murmur "R" had in August 2021 had progressed to a grade 4 heart murmur and her ProBNP level was now high. They said that although "R"'s heart murmur was noted in August 2021 as ongoing but unlikely to recur, and significantly unlikely to be cardiomyopathy, this was not definite. They said the grade 3 heart murmur had progressed to a grade 4 heart murmur within a year with clinically significant heart disease (suspected to be cardiomyopathy). Red Sands sought the advice of another vet who'd said that while in August 2021 the murmur wasn't significant, it didn't mean cardiac disease wasn't present.

Miss J wasn't happy with Red Sands response and referred her complaint to us.

Our investigator said he placed weight on Miss J's vet who said this wasn't a pre-existing condition. And asked Red Sands to re consider Miss J's claim.

Red Sands didn't agree they said a normal ProBNP test didn't rule out cardiac disease. And given the short time, a year in which "R's" condition went from a grade 3 to a grade 4 heart murmur strongly suggests that the grade 3 heart murmur was a strong indication that the heart condition was there and developing. They asked for an ombudsman to decide.

I issued a provisional decision in May 2023 that said:

## **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.

*Having done so I'm currently minded not to uphold this complaint. I'll explain why.  
The relevant regulator's rules say that insurers must handle claims promptly and fairly and*

*they mustn't turn down claims unreasonably. Red Sands policy excludes the cost of any treatment for a 'pre-existing condition' which the policy defines as:*

*"Any claim or costs for existing conditions, which means any injury or illness that relates to or results from an accident, injury, illness or where "R" showed observable changes to her normal healthy state, condition, appearance, bodily functions or behaviour that could be observed visually, diagnostically or otherwise before or within 14 days of your policy's original start date. You don't have to declare your existing conditions upfront."*

*The policy definition of pre-existing condition includes undiagnosed conditions where there were symptoms or clinical signs of the condition or related condition. And goes on to say:*

*"You don't have to declare your existing conditions upfront. Upon your first claim we will request all of Ruby's medical records and will let you know what conditions will be excluded. You can see a list of your existing exclusions."*

*I understand why Red Sands thought the conditions might be related. But there are two issues that I must also consider.*

*First, I've evidence from a qualified vet that says the heart murmur noted in 2021 wasn't linked to the cardiomyopathy diagnosis made in July 2022. The evidence from the vet at the time was that it was "significantly unlikely" to be cardiomyopathy. I think this is strong evidence that in August 2021 Miss J's cat wasn't showing clinical signs of cardiomyopathy. I haven't seen any evidence that suggested further tests or investigations should be done. And secondly there's no indication Miss J was told of any concern about "R's" heart murmur. And was reassured being told it was unlikely to recur.*

*So, while Miss J would have known her cat had a heart murmur, I've no reason to believe Mrs J considered "R" had any progressive heart disease that she should be concerned about. The grade of murmur heard didn't necessarily mean heart disease is more or less severe, or even present. And a cat can have an innocent or physiologic heart murmur that has no impact on the cat's health. So I don't think Mrs J knew about the possibility that her cat's heart murmur could develop into cardiomyopathy when she bought the policy.*

*But Red Sands has given me their underwriting criteria that applies to every policy. It says that if an animal is diagnosed with a heart murmur then it will exclude cover on all claims with respect to heart conditions. And I think this could have been better explained to Miss J when she made her claim.*

*The medical notes say that Miss J's cat had a heart murmur detected in August 2021 so the cover for any heart conditions under the policy would be excluded from this date. And it would be considered a pre-existing condition based on the policy definitions. As Red Sands has applied its underwriting criteria to Miss J's policy in the way it would any other policy I can't say they have acted unfairly in these circumstances. So, I think Red Sands declined Miss J's claim in line with the terms of her policy. And it was reasonable to apply the exclusion based on "R's" medical history.*

*I understand that this will be disappointing for Miss J but I've not seen anything to suggest that her claim was declined unfairly.*

## **Responses to my provisional decision**

Red Sands haven't responded and so they haven't asked for any further comments or representations to be considered.

Miss J commented about the clarity of the policy wording, marketing of the insurance policy, poor communication and speculation.

In summary Miss J says that anything that precludes the condition from the policy should be clearly displayed and identified in a way that is clear to understand. She said that Red Sands in explaining their reasoning for the decline had referred to “R” suffering from cardiomyopathy and not that any heart condition would constitute an exclusion as a pre-existing condition. She said it was unfair for an undiagnosed condition to fall into the category of a pre-existing condition as this would be unknown to the consumer when considering the purchase of an insurance policy. Miss J was of the belief that this made taking out an insurance policy as much of a risk as by not having a policy and it would be better to simply put aside the premium each month for potential future outlay.

Miss J also said she’d made her decision to take out the policy based on the clinical opinion of two veterinarians. She said as this showed “R” didn’t have any clinical indication of cardiomyopathy the condition shouldn’t be considered as pre-existing.

I can assure Miss J that I’ve read and considered everything she’s sent. However, I won’t be commenting on every point she’s raised here, just the ones that I think are necessary to consider the fundamental elements of this complaint. No discourtesy is intended.

My role here is to determine whether Red Sands has acted fairly in declining Miss J’s claim. I understand that this will be disappointing for Miss J but I’ve not seen anything to suggest that her claim was declined unfairly.

Virtually every pet insurance policy will say there’s no cover for pre-existing conditions. This isn’t unreasonable – insurers are entitled to decide what risks they want to cover, and they won’t normally want to cover something that’s already present.

When Red Sands first declined Miss J’s claim for “R”’s treatment I can see they said it was because the symptoms (the heart murmur) of “R”’s heart condition began before the policy start date. And it’s not in dispute that Miss J was aware before she took out the policy that “R” had a heart murmur.

I can see in the policy document under a bolded heading: Pre-existing conditions it says:

*“Any claim or costs for existing conditions, which means any injury or illness that relates to or results from an accident, injury, illness or where Ruby showed observable changes to her normal healthy state, condition, appearance, bodily functions or behaviour that could be observed visually, diagnostically or otherwise before or within 14 days of your policy’s original start date.*

So, I’m satisfied the information provided by Red Sands explained clearly that a pre-existing condition wouldn’t be covered. And Miss J knew “R” had a heart murmur, so a pre-existing condition. What Miss J disputes is the connection to the heart murmur and the tests that showed “R” had now developed cardiomyopathy and why this new diagnosis is being considered as a pre-existing condition.

But I can see that Red Sands in declining the claim first explained that the declination was based on “R”’s heart murmur. They explained that the policy had been inceptioned in early September 2021, and “R”’s medical history showed a heart murmur was detected in August 2021, before the policy’s inception.

Red Sands go on to say that the heart murmur would be considered a pre-existing condition and so excluded under the policy for any heart conditions. They later expand on their

reasoning as their veterinarian said the heart murmur had developed into cardiomyopathy and was probably present at the time of the policy's inception. As I explained in my provisional decision when Miss J took out the policy "R" may not have had cardiomyopathy when the policy was inceptioned but "R" did have a heart condition (heart murmur). Red Sands have applied the exclusion reason – heart conditions in line with their underwriting criteria. So, I don't think they've acted unfairly in applying these terms.

I can understand Miss J's comments that this information should be made known before a policy is inceptioned. The policy says:

*You don't have to declare your existing conditions upfront. Upon your first claim we will request all of "R"s medical records and will let you know what conditions will be excluded.*

If Red Sands been aware of "R's" heart murmur before the claim was made or at the time of inception I think the same exclusion would have been added to Miss J's policy so, the claim would still have been unsuccessful.

Miss J has questioned the value of an insurance policy but the exclusion for "R" is made for heart conditions, so the other benefits of the policy still remain.

As Red Sands has applied their underwriting criteria to Miss J's policy in the way it would to any other policy I can't say they've treated Miss J unfairly in these circumstances. I think they declined Miss J's claim in line with the terms of her policy. And it was reasonable to apply the exclusion based on "R's" medical notes.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 2 August 2023.

Anne Scarr  
**Ombudsman**