

## **The complaint**

Mr W has complained that Red Sands Insurance Company (Europe) Limited (Red Sands) has declined his claim for the treatment for his pet dog.

## **What happened**

Mr W has had insurance for his pet dog, who I'll refer to as "B", from Red Sands since 2011. He has a time limited policy. This means that each condition is covered for up to 12 months. This 12-month period starts when the first signs or symptoms are noticed, and not when the pet is taken to the vet. The wording of his policy as at the time of his claim states:

*"This is a Time Limited policy. This means each condition is covered for 12 months – as long as you renew your policy. The 12 months starts from the date your pet first showed signs or symptoms of the condition. At the renewal after the condition started, we'll add an exclusion to your policy – but you can carry on claiming for the condition if you haven't already reached your 12-month limit. At the end of the 12 month period, we won't cover that condition any more even if you renew."*

On 12 August 2022 B's vet sent a pre-authorisation request to Red Sands for treatment for the removal of lumps on B. Red Sands responded the same day to say that as the pre-authorisation request submitted was for the removal of multiple masses, in the absence at that time of a confirmed diagnosis it wasn't able to review the masses under one authorisation. It asked for separate pre-authorisations for each mass until a condition diagnosis was available. It also asked for confirmation of the onset date of the condition being claimed for. Once this had been received it would be in a position to assess the pre-authorisation request.

Mr W has said that Red Sands pre-authorised the necessary treatment.

On the same day B received treatment for the removal of her lumps which were found to be a keratinising cyst and three lipomas. On 23 September Red Sands informed the vet that as it hadn't received any response to its request for an onset date, Mr W's claim was placed on hold.

Mr W submitted a claim to Red Sands on 17 October 2022. On 21 October Red Sands informed Mr W that as his policy was time limited to 12 months, and as B's veterinary history showed that B's cyst had first been noticed on 1 October 2019, cover for this condition expired 12 months later, on 30 September 2020.

B's medical history on 1 October 2019 recorded:

*"Lump on dorsal pelvic region not changed, been there for years. Firm and well attached. New small grape sized fatty lump LHS thorax. Discussed options with lumps."*

Mr W's claim was therefore declined. Red Sands informed him that an exclusion had been added to his policy excluding claims for cysts and warts with effect from 5 February 2020, the renewal date of his policy.

On 17 September 2022 Red Sands paid Mr W's claim for the cost of the removal of B's lipomas as these had first been noticed on 12 August 2022, so within 12 months. It then applied an exclusion on cover in respect of lipomas and resulting conditions with effect from 5 February 2023. He was told that he would remain covered for this condition for a period of 365 days from the date the condition was noticed, so cover would end on 11 August 2023.

As Mr W wasn't happy with Red Sands' rejection of part of his claim, which he says was pre-authorised, he brought a complaint to this service. Our investigator's view was that not all the treatment that Mr W was claiming for in 2022 was covered by his policy as lumps were first noted on 1 October 2019, and the policy only covers treatment of a condition for 12 months from when it was first noticed. He couldn't see any evidence of Mr W's claim having been pre-authorised by Red Sands.

However he didn't consider that Red Sands had correctly applied the exclusions for cysts and lipomas as these had been applied with effect from the policy renewal date and not the date falling 365 days from the date when the condition was first noticed. He suggested that Red Sands should amend the exclusion date to come into effect, in the case of cysts, from 30 September 2020, and in the case of lipomas, from 11 August 2023.

Red Sands has said that it doesn't dispute our investigator's decision but that it's unable to execute this because of the system changes this would require.

In these circumstances, Mr W's complaint was referred to me as an ombudsman for a final decision from this service.

As I had a different view to that of our investigator, I issued a provisional decision and invited any further comments from Mr W and Red Sands by 16 November 2023. As I haven't received any comments from Mr W or Red Sands, I'm therefore issuing my final decision.

### **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 not upholding Mr W's complaint and I'll explain why.

Red Sands has provided our investigator with various editions of its Time Limited policy. I consider that the applicable wording is that contained in the policy current at the time of Mr W's claim. As his claim was made in October 2022, I take the version of the policy issued in 2021 to be the applicable one. I have quoted from this above.

I consider that the policy wording is sufficiently clear. Once a medical condition has been noted, cover is only provided for 12 months from that date. Red Sands has therefore reasonably applied this policy term to reject Mr W's claim for treatment for B's cyst more than 12 months after a lump was first recorded in her medical notes, although it had been noticed quite some time before that.

I consider it has also reasonably applied the exclusions covering any further claims for cysts and warts and lipomas in accordance with its underwriting criteria. I can see the confusion noted by our investigator when these exclusions were imposed with effect from the next renewal date, but the policy clearly states that notwithstanding these exclusions being introduced before the applicable 12-month period has been reached, claims could continue to be made for these conditions until the 12-month limit has been reached.

This was also made clear to Mr W in a letter from Red Sands to Mr W of 17 September 2022 in relation to the exclusion of future lipoma claims. I don't consider that is necessary for Red Sands to amend the commencement date of the two exclusions it has added to the policy.

I should add that I also haven't seen any evidence of a pre-authorisation having been given by Red Sands. I therefore can't say it has acted unreasonably in pre-authorising treatment and then rejecting a claim for it.

### **My final decision**

For the reasons I've given above, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 December 2023.

Nigel Bremner  
**Ombudsman**