

The complaint

Miss K complains about how West Bay Insurance Plc (West Bay) applied deductions to a claim under her pet insurance policy for treatment of her cat.

References to West Bay include their agents who administer the policy.

What happened

Miss K had a lifetime cover pet insurance policy covering her cat, which she'd had for many years. In July 2023 the cat became very ill one evening, so Miss K took the cat to an out-of-hours emergency vet for treatment. The vet advised the cat would need to be hospitalised, at an estimated cost of £1,300 – for which Miss K paid a deposit of £325. Unfortunately, the cat had to be euthanised in the early hours of the following morning. The vet made a claim direct to West Bay for the cost of treatment and death of a pet benefit.

However, West Bay applied several deductions from the vet bill submitted with the claim and also wouldn't settle the claim for death of a pet benefit (as Miss K didn't have a receipt for private purchase of the cat, for £500, some eight years previously).

West Bay settled the claim directly with the vet at a net value, after deductions, of £922.05. The deductions were:

- £85 policy excess
- £102.45 co-payment deduction (10% as the cat was over seven years old)
- £252.44 cremation costs
- £2 for the cost of euthanasia over the policy limit of £100
- £29.50 hospital admission fee
- £25 insurance claim administration charge
- £114.88 for the cost of out-of-hours surcharge over the policy limit of £100

Miss K was unhappy at the deductions applied to her claim, particularly for her use of an out-of-hours vet. She'd also never been asked for proof of purchase of her cat, either when taking out the policy or subsequently. So, she complained to West Bay.

West Bay didn't uphold the complaint. In their final response they said the policy documentation provided to Miss K when the policy started (April 2015) and at subsequent renewals set out what was (and was not) covered under the policy. These limits included ones of £100 (for treatment outside normal vet surgery hours and, separately, for the cost of euthanising a pet). The policy documentation also didn't provide cover for cremation or burial fees or for administration fees. As West Bay had applied deductions in line with the policy terms and conditions, they confirmed they weren't upholding the complaint.

Miss K then complained to this Service. She said West Bay had unfairly applied the policy terms to make deductions from her claim, including a £325 deposit; £250 cremation fees and a further £56. She wanted West Bay to settle the claim for the full amount of the vet bill and pay the death of a pet benefit without having to produce a receipt for the purchase of her cat.

Our investigator didn't uphold the complaint, concluding West Bay had correctly applied the excess and other deductions in line with the policy terms and conditions. In relation to the death of a pet benefit, he didn't think it unreasonable for West Bay to request proof of the cost of purchase from Miss K to support the insured amount. While the cat had been named on the policy since it was taken out and the purchase price of £500 recorded on the policy, it wasn't unreasonable for West Bay to request proof of the figure. So, the investigator wouldn't be asking West Bay to do anything further.

Miss K disagreed with the investigator's conclusions, and requested an ombudsman review the complaint. In disagreeing, she said if West Bay required proof of the purchase price of her cat they should have requested it when the policy was taken out – it was unreasonable to ask for it now. She also thought the level of cover of the policy should cover the full cost of any out-of-hours treatment – it wasn't reasonable for, in effect, cover to extend to the full cost of treatment only during normal surgery opening times. Emergency care should be provided – and the cost covered – regardless of the time of day. She also thought it unfair the hospital admission fee wasn't covered.

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'd first want to express my sympathy to Miss K for the loss of her cat, particularly the circumstances she's described in making her complaint to this Service. I recognise the impact the loss of her cat would have had on Miss K. But my role here is to decide whether West Bay have acted fairly towards Miss K.

The key issues in Miss K's complaint are the application by West Bay of various deductions from her claim (from the vet bill). Miss K says these are unfair and wants West Bay to settle the full amount of the Vet Bill. Miss K is also unhappy that West Bay haven't made a payment for the loss of her cat under the death of a pet benefit section of the policy. West Bay say they've applied deductions correctly in line with the policy terms and conditions.

In considering the deductions applied by West Bay, I've looked at the policy terms and conditions, particularly those referred to by West Bay in their final response. In doing so, I've looked at each of the deductions set out earlier in this decision.

£85 policy excess

This is the standard policy excess to be applied to each claim. The figure of £85 is set out in the policy schedule, so I've concluded it was fair and reasonable for West Bay to apply it to the claim.

£102.45 co-payment deduction (10% as the cat was over seven years old)

The application of a co-payment deduction is also common to many pet insurance policies, reflecting the increased likelihood of conditions arising as a pet grows older. This means an increased risk of claims, which is reflected in both the premiums charged (which tend to increase with the age of the pet) and the application of a co-payment deduction.

In the case of Miss K's policy, the Policy Schedule states:

"The variable excess of 10% is the percentage amount you are required to pay towards the cost of the veterinary fees in addition to the fixed excess [£85]. This

amount will be deducted from the claims settlement as follows: dogs aged 5 years or over / cats aged 7 years or over."

I think this is clear, and with the cat's date of birth recorded as December 2013, it would have been over seven years old at the time of the treatment. The £102.45 deduction has also been correctly calculated and applied to the vet bill.

So, West Bay's application of a co-payment deduction is in line with industry practice and clearly set out in the policy documentation.

£252.44 cremation costs

Under the heading *General exclusions applicable to all sections of the policy* and a sub heading *Death from illness (not Accident Only)* it states:

- *There is no benefit available to reimburse cremation or burial fees."*

I think this makes it clear cremation costs won't be covered, so West Bay have acted in line with the policy terms and conditions in applying the deduction from the Vet bill.

£2 for the cost of euthanasia over the policy limit of £100

Under *Section 1 Veterinary fees* there's a sub heading *What is not covered* which includes the following:

"41. Any charges in excess of £100 in respect of euthanasia even in the case of humane destruction to alleviate incurable and inhumane suffering."

As the Vet Bill recorded £102 for the cost of euthanising Miss K's cat, the £2 deduction has been correctly made under the policy condition.

£29.50 hospital admission fee and £25 insurance claim administration charge

Under the same *Section 1 Veterinary fees* and sub heading *What is not covered* there's the following:

"44. Any ancillary administration fees including, but not limited to dispensing fees, prescription fees, claims form completion, administration referral fees to specialist vets or referral vets and x-ray referral fees."

Looking at this wording, I think it reasonable to interpret it to include both the hospital admission fee – although I know Miss K has raised specifically in response to our investigator's view - and the insurance claim administration charge. I think the above wording can reasonably be held to include a hospital admission fee. So, I've concluded West Bay have acted fairly and reasonably in applying both deductions to the Vet bill.

£114.88 for the cost of out-of-hours surcharge over the policy limit of £100

Under the same *Section 1 Veterinary fees* and sub heading *What is not covered* there's the following:

"26. For necessary treatment outside of normal surgery and fixed out of hours veterinary charge greater than £100."

Looking at this wording in conjunction with the Vet bill, the latter records a figure of £286.50 for a Consultation and out of hours fee. Further detail below the line item says the out of

hours fee comprises 75% of the total. Which would indicate the fee is £214.88 (75% of £286,50). West Bay have applied a £114.88 deduction, which is the amount by which £214.88 exceeds £100. So, I've concluded West Bay calculated the deduction in line with the policy terms and conditions.

I've also considered what Miss K says about the level of cover of the policy should cover the full cost of any out-of-hours treatment – it wasn't reasonable for, in effect, cover to extend to the full cost of treatment only during normal surgery opening times. Emergency care should be provided – and the cost covered – regardless of the time of day. While I understand why she feels this, the policy condition above is clear. And I've also noted the limit only applies to the out of hours fee charged – it doesn't apply to the treatment and medication administered to Miss K's cat, which was covered. So, I don't think West Bay have acted unfairly or unreasonably in this regard.

Having concluded West Bay acted fairly and reasonably in line with the policy terms and conditions, I've then considered the issue of the death of a pet benefit, and West Bay's decision to decline to pay this benefit, as Miss K couldn't evidence the purchase price of £500 for her cat.

West Bay say they need proof of purchase to evidence the [financial] loss Miss K has incurred through the euthanising of her cat. And that evidence of loss is also a general principle of insurance. They also refer to the following policy terms and conditions, under *Section 4 Death caused by illness* and a sub heading *What is covered* it states:

"We will reimburse you the purchase price as declared on your policy schedule, up to the cover level shown on your policy schedule [£1,500], in the event your pet dies from illness or is put to sleep, if certified by a vet as necessary to alleviate incurable and inhumane suffering of your pet, due to illness or disease.

Cover is only provided under this section of the policy for dogs under the age of 9 years and cats under the age of 11 years."

While this wording would, in isolation, indicate Miss K's cat would be covered, there's a further *Special conditions relating to claims* heading that states:

"You must send us a death certificate from your vet (at your expense)...together with any pedigree certificate (where applicable) and receipt for the original purchase of your pet."

It's the final part of this last wording that means proof of purchase (a receipt) has to be provided. I appreciate what Miss K has said about being expected to retain a receipt (or other evidence of purchase) from many years before the passing of her cat. And that she wasn't asked for a receipt or other proof of purchase when she took out the policy or subsequently. But the policy wording is clear about the requirement for a receipt.

Miss K also makes a comparison to motor insurance and proof of purchase price for a vehicle in cases where a vehicle is deemed a total loss. However, in those circumstances, insurers would typically pay out based on a market valuation basis. And there are industry valuation guides and other sources of information to enable a market valuation for a specific vehicle to be obtained. The same isn't the case with pets, so I don't think the analogy holds.

Taking these points together, while I appreciate Miss K's views, I can't conclude West Bay have acted outside the policy terms and conditions, or unfairly or unreasonably, in declining to make a death of a pet benefit payment because Miss K can't provide a receipt or other proof of purchase for her cat.

My final decision

For the reasons set out above, my final decision is that I don't uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 14 February 2024.

Paul King
Ombudsman