

The complaint

Mrs F has complained that Pinnacle Insurance Plc unfairly declined a claim under her pet insurance policy and about the service she received.

What happened

In August 2022 Mrs F took out a pet insurance policy for her dog after having received a quote from a price comparison site.

Mrs F made a claim under the policy for treatment of bleeding from the nasal planum (external nose). At that point Pinnacle looked at the dog's medical history. The clinical notes showed that the dog had previously suffered from a crack in the nasal planum and various other skin problems in 2021 and 2022.

Pinnacle said if it had known about these conditions, it would have placed an exclusion on the policy for skin problems. It declined the claim as the treatment claimed for would have fallen under an exclusion for skin problems.

Pinnacle also added other exclusions to the policy for other conditions referred to in the dog's medical history.

Mrs F thought that was unfair. She also complained that Pinnacle hadn't told her vet that the claim had been declined. Pinnacle said it hadn't contacted the vet as Mrs F had requested that any payment be made to her. Mrs F was unhappy that she hadn't been called back as promised. Pinnacle apologised and paid her £25 compensation for that.

Mrs F brought her complaint to the Financial Ombudsman Service. Our Investigator didn't uphold the complaint. He didn't think Pinnacle needed to do anything more.

Since Mrs F didn't agree, the matter has been referred to me.

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.

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

If a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

As part of the application process, a question was asked whether the dog had ever shown signs of illness or injury. Pinnacle said it needed to know anything Mrs F had noticed or discussed with her vet or other professional about her dog's health or behaviour. The answer given was "No".

CIDRA sets out a number of things that need to be considered when deciding whether a consumer took reasonable care. One is how clear the question was. I think the question that was asked about pre-existing medical conditions was clear. And in view of her pet's medical history I'm not persuaded that Mrs F took reasonable care in answering it.

Pinnacle has provided evidence that shows if the question had been answered correctly, it would still have provided cover but added an exclusion to the policy for skin conditions.

This means I'm satisfied that Mrs F's misrepresentation was a qualifying one.

Pinnacle hasn't been clear in how it classified Mrs F's misrepresentation here. I consider it to have been a careless misrepresentation - rather than deliberate or reckless. I say this because I believe it to have been a mistake by Mrs F.

I've then looked at the actions Pinnacle can take in accordance with CIDRA. Pinnacle was entitled to treat the contract as if it had been entered into on the terms which it would have offered if it had been given correct information at the outset. So I think Pinnacle has acted fairly by applying the exclusion for skin problems. That means Mrs F's dog's treatment falls under one of the exclusions and isn't covered by the policy.

Mrs F's vet says that the dog presented with haemorrhage from the left side of his nose after lesions had been developing. She thought the dog had an ulcerative disease of the nasal planum as opposed to a skin allergy or disease. I don't doubt the vet's opinion. But the fact is that the treatment involved putting ligatures into the cracks in the skin and applying skin balms. I think it's fair to class that as treatment of a skin problem which was excluded under the policy.

As Mrs F didn't renew the policy with Pinnacle and didn't make a claim which was rejected because of the other exclusions added to the policy by Pinnacle, they are no longer relevant and I don't need to consider them further.

Lastly I've looked at how Pinnacle handled the claim. Mrs F says that Pinnacle failed to keep her informed. But I can see that it wrote to her several times in January and February 2023. The letters were correctly addressed. It's unfortunate that Mrs F didn't receive them but I can't fairly hold Pinnacle responsible for that. I also don't think there was any unreasonable delay in assessing the claim. There were problems with the phone line when Mrs F called Pinnacle and it failed to call her back when promised. But it has paid £25 compensation for that which I think is reasonable in the circumstances. Apart from this, overall I don't think there were any significant failings on the part of Pinnacle.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 16 November 2023.

Elizabeth Grant
Ombudsman