

The complaint

Mrs M has complained that HDI Global Specialty SE (HDI) has rejected a claim for the treatment of her pet dog on the ground that the treatment was for a condition that was pre-existing at commencement of her policy.

What happened

Mrs M acquired her pet dog, who I'll refer to as "D", from a charity on 31 December 2021. She insured him with HDI on 24 January 2022.

Between 30 May 2022 and 29 July 2022 D was treated for a lump on his neck. This was diagnosed as a neck mass and was removed. Mrs M submitted a claim to HDI for the cost of this treatment.

HDI rejected Mrs M's claim. On receiving her claim, it reviewed D's veterinary records. It noted in D's notes the following entry on 30 May 2022:

"Lump back of neck did started under skin now developing on top. A BIOP since new year from [charity]. Noticed a lump when they got him, small, raised lump at the time has changed shape and texture and size"

HDI also referred to the veterinary notes received from the charity. These record that D was examined on 23 December 2021. The notes make no reference to any lump noticed on D's neck although a pea sized mass had been noticed earlier that month in his anal area which had significantly improved.

HDI relies upon the following term of Mrs M's policy:

*"What is not covered?
'Any illness arising prior to or within the first 14 days of the inception date of the insurance or a pre-existing condition."*

A pre-existing condition is defined as:

"Any illness or injury or complication directly resulting from an injury or illness, whether diagnosed or undiagnosed that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance or within the first 14 days of the policy for illness or 48 hours in the case of an injury"

The Insurance Product Information Document states under "What is not insured" the following:

*"Pre-existing conditions that have received treatment or have shown signs or symptoms before your policy started.
Any accident, Injury or illness displaying clinical signs before the commencement date."*

Mrs M says that the vet's notes incorrectly record the conversation she had with the vet in recording "*Noticed a lump when they got him (D)*". She says this should read "*..since they got him*". She says she first noticed D's lump in March 2022.

As Mrs M wasn't happy with HDI's rejection of her claim which is causing her considerable financial difficulty and stress, she brought her complaint to this service.

Our investigator considered that the absence of any mention by the charity's vet of a lump on D's neck in December 2021, and Mrs M's account that the lump didn't appear until March 2022, to be persuasive. She therefore didn't consider that it was fair for HDI to treat it as a pre-existing condition.

In response to our investigator's view, HDI maintains that the lump was first noticed when Mrs M got D and not three months later. It also stated that:

"The only unusual fact is that this lump was not mentioned in the medical history from the day they got the dog, however I'd argue as this was small at the time perhaps this was not noticed, especially with the type of coat that breed has".

As HDI doesn't agree with our investigator's view, Mrs M's complaint has been referred to me as an ombudsman for a final decision from this service.

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 upholding Mrs M's complaint and I'll explain why.

What is at issue in this case is when the lump on D's neck was first noticed. If HDI is to successfully reject Mrs M's claim it has to provide persuasive evidence that the lump was a pre-existing condition – one "*that has been identified or investigated by a vet or is otherwise known to you prior to the start of the insurance or within the first 14 days of the policy*".

The fact that no lump was mentioned by the charity's vet following D's examination on 23 December 2021 strongly suggests that no lump was noticed, if one then existed. Other lumps had previously been noticed, but not on his neck. So there was no investigation. It follows that there was no treatment. In its response to our investigator's view, from which I've quoted above, HDI says that it might not have been noticed at that time because it was so small and especially because of D's coat. Mrs M has said she didn't notice a lump until March 2022.

As the exclusion upon which HDI relies to reject Mrs M's claim requires identification or knowledge of the lump's existence prior to the start of the policy or within the first 14 days thereafter whether or not a diagnosis has been made, in the absence of any evidence to support such identification or knowledge, that rejection cannot be fair. I don't consider that what D's vet recorded, and upon which HDI relies - "*Noticed a lump when they got him*" - which Mrs M disputes as an accurate record of what she said, is sufficiently strong evidence to rebut what I consider to be the stronger evidence from the record of D's examination on 23 December 2021.

I'm therefore going to require HDI to settle Mrs M's claim with interest.

My final decision

For the reasons I've given above, I'm upholding Mrs M's claim.

I require HDI Global Specialty SE:

1. to settle Mrs M's claim subject to any other terms and condition of her policy.
2. to pay interest on the sum so paid at the simple rate of 8% from the date she made her claim until payment is made to her.

If HDI Global Specialty SE considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks for one so she can reclaim the tax from HM Revenue & Customs if appropriate.

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

Nigel Bremner
Ombudsman