

The complaint

Mrs S complains about Forsakringsaktiebolaget Agria (publ) declining her pet insurance claim, cancelling the policy and its service. My references to Agria include its agents.

What happened

Mrs S took out pet insurance, an Agria 'Lifetime Lite' policy, for one of her dogs, who I'll refer to as W, to start on 15 January 2023. Agria was the insurer. In August 2023 Mrs S claimed for W's treatment of atopy (a skin condition which causes inflammation and itchiness) at a vet practice which I'll refer to as A.

Agria declined the claim. It said W's medical history showed she had symptoms of atopy before the policy started so the claim was a pre-existing condition which wasn't covered by the policy.

Agria also cancelled Mrs S' policy as it said she'd failed to disclose information it had requested. During the claim assessment it had emailed Mrs S asking if W had attended any other vet and she'd replied saying W had '*only been treated at A*'. But Agria had also emailed A asking if they had any previous vet history for W and A provided a medical history which showed W had been registered at another vet, which I'll refer to R.

Agria said the medical history from R showed:

- W started symptoms of a skin disorder from February 2022.
- On the 15 March 2022 Mrs S discussed treatment for W's skin allergies with R.
- W was insured by another pet insurer at the time and Mrs S had made a claim in March 2022 for W's investigations about her skin allergies which gave her sore ears.
- W's last visit to R was on the 16 January 2023, the day after Mrs S took out her policy with Agria. W had still been suffering with her sore ears and the vet recommended another appointment specifically for her ears.

A's vet notes said W was registered with them on the 22 March 2023 and seen by A for a flare up of her ear problem, which is the treatment claimed in August 2023.

Agria said contrary to what Mrs S had told it, W had treatment for skin problems before she took out its policy. And taking into account all Mrs S' communication with it Agria considered that under the policy terms it had grounds to cancel her policy. It referred Mrs S to the relevant terms in the fraud section of the policy and said Mrs S was '*no longer welcome to insure any pets*' with it.

Mrs S says Agria has acted unfairly, as in summary:

- She phoned Agria on 7 September 2023 to chase a response to her claim. She was shocked to be told it had sent her a letter on 4 September which told her the policy would be cancelled on 12 September after seven days' notice. She didn't receive Agria's 4 September letter until 9 September 2023.

- She'd understood Agria's email to her asking about W's treatment only referred to the treatment following W's diagnosis for atopy.
- Agria cancelled then recharged her direct debit and sent her £50 without any reason which caused her confusion about her claim and whether the policy had been reinstated.
- Agria had made her feel dishonest and that she'd claiming fraudulently, which isn't true and had left her feeling anxious.

Mrs S wants: her policy reinstated and back dated to the date it was cancelled; her claim reassessed; compensation for Agria's miscommunication, incorrect handling of her direct debit and accusations made against her; an apology for lots of different people at Agria handling her complaint and no one wanting to take responsibility for her complaint.

Mrs S also said W remains uninsured as she's unclear what to say to a new insurer given W's diagnosis and her claim being refused. And Mrs S is concerned for W's well-being and her plan to breed from W as she wants the opportunity to insure any future litters from W with Agria.

Our Investigator said Agria had acted fairly and reasonably in declining Mrs S' claim and cancelling the policy.

Mrs S disagrees and wants an ombudsman's decision. She added:

- In hindsight she realises she was still suffering with shock and trauma following her father passing away in June 2023 and she'd been '*unable to think clearly and sensibly*' as at the time she'd been supporting her mother.
- Agria had said as she's a Kennel Club registered breeder she should have been aware of her duty in the claims process to tell it information, but she's only a hobby breeder and has only owned two dogs in her life. W being diagnosed with atopy was the first time her dog had been diagnosed with a medical condition.

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've considered all the points Mrs S has made but I won't address all her points in my findings. I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I'm sorry to disappoint Mrs S but I think Agria reasonably declined the claim and acted fairly in cancelling her policy. I'll explain why.

The claim

The policy documents are clear that Agria won't cover vet costs resulting from a 'pre-existing illness or injury', which the policy defines as:

'An injury that happened, or an illness or behavioural disorder that first showed clinical signs before your policy started; or,

An injury or illness that is the same as, or has the same diagnosis or clinical signs as an injury, illness or clinical sign your pet had before your policy started; or,

An injury or illness that is caused by, relates to, or results from, an injury, illness or clinical sign your pet had before your policy started;

no matter where the injury, illness or clinical sign(s) are noticed or happen in, or on, your pet's body'.

The policy defines 'clinical sign(s)' as:

'Changes to your pet's normal healthy state, its physical appearance, its bodily functions or behaviour'.

Mrs S says she wasn't told W's skin condition was atopy until August 2023, when she claimed for treatment of the condition. But under the policy definitions and terms there doesn't have to be a diagnosis of a condition for it to be a pre-existing condition. If her dog first showed clinical signs of the condition before the policy started the condition is pre-existing. That's standard in pet insurance policies.

The vet notes from R show that from February 2022 Mrs S discussed W's skin allergies, which in particular caused W sore ears and to paw lick, and treatment options for the allergies, which was before her policy with Agria started.

A's vet notes submitted with the August 2023 claim show the claim was for treatment and advice for W's sore ears. A's notes say *'that O(wner's) main concern is the ear flare ups and chewing feet++ Long discussion with owner re allergies'*.

So I'm satisfied that Agria reasonably considered W was showing clinical signs of a condition for which there'd been vet treatment and advice before Mrs S' policy with Agria started. As the claim was for a pre-existing condition Agria reasonably relied on the pre-existing condition exclusion to decline the claim.

Cancellation of the policy

When Agria wrote to Mrs S to give her notice it was cancelling the policy it referred her to the following wording from the fraud section in the policy:

'If you:

Make a statement or submit a document in support of a claim knowing it is false or incorrect in any way; or...

Make a claim that involves your dishonesty; or

Give us reasonable grounds to suspect you have acted fraudulently or dishonestly.

Then we will:

Not pay your claim or any other claims.

Cancel any policy you have with us, either from the start or after giving you seven days' notice (it told Mrs S it would be cancelling her policy on 12 September 2023, after giving her seven days' notice).

We will be informing the Police Insurance Fraud Enforcement Dept (IFED).

Tell other insurance companies and the Insurance Fraud Investigators Group (IFIG).

Refuse to offer further policies to you.'

Agria said Mrs S knew her duty to give it correct information when making a claim as she was a registered dog breeder. I note Mrs S says she's a hobby breeder. I think whether or not Mrs S is a dog breeder, when she made her claim Agria could reasonably expect her to give it correct information so that it could assess the claim. But I think it was fair for Agria to note that as Mrs S is a Kennel Club registered dog breeder she would know the importance of fully disclosing her pet's history to the insurer.

As part of assessing the claim Agria e-mailed Mrs S on 21 August 2023 saying:

'We can confirm that your claim is in the first stage of assessment. In order to continue processing the claim we require the following information;

Besides A, have you attended any other vets with W. If so, please provide their names and full addresses and how W is identified with them'.

Mrs S replied by email:

'I can confirm that W has only been treated by A'.

Mrs S has told us she understood Agria was asking whether W had been treated at another vet for atopy, which had just been diagnosed. But Agria's question asked about attendance, not treatment, at another vet and didn't ask if W had attended other vets about the atopy.

I've listened to the call between Mrs S and Agria on 7 September 2023. Mrs S told Agria she hadn't told it W has been treated at another vet because W hadn't been treated at another vet, W just had flea and worm treatment and she'd had no need to claim for anything.

But the evidence is that before W was treated by A Mrs S had registered W at R from February 2021 and she'd last been seen there on 16 January 2023, the day after Mrs S started this policy. And R had treated W's sore ear and discussed her allergic skin problem with Mrs S. Mrs S had made an insurance claim for the ear treatment/investigations in March 2022.

When Mrs S took W to A in July to August 2023 it was because W had a reoccurrence of her sore ears. As W's skin problems were a continuation of the problem she'd been seen at R for I think Agria reasonably considered that Mrs S would have known the importance of disclosing W's earlier attendance and treatment at R.

Agria's concern was that Mrs S' incorrect answer to its question could have affected the claim outcome as it only found out the claim was for a pre-existing condition because A provided W's medical history with R.

I'm sorry to see that Mrs S had suffered her father's bereavement two months before she incorrectly answered Agria's question about what other vets W had attended. But I think taking into account Mrs S' reply to Agria's written question and the information she gave Agria in the phone call Agria acted fairly in considering that Mrs S' responses gave it *'reasonable grounds to suspect (she had) acted fraudulently or dishonestly'.*

As Agria had reasonable grounds to suspect Mrs S acted fraudulently or dishonestly then under the policy terms it could cancel the policy after giving her seven days' notice of its

intention to cancel. Agria's letter of 4 September 2023, which gave Mrs S notice of the policy cancellation, wasn't received by her until 9 September 2023. She was told in the phone call of 7 September 2023 about the notice to cancel. The policy cancellation happened on 12 September 2023, so five days after Mrs S was notified, rather than the seven days. But I don't think the shorter notice disadvantaged her. I say that because if I thought Agria had acted unfairly in cancelling the policy I could have told Agria to reinstate the policy from the date of cancellation. But for the reasons above I think Agria did act fairly in cancelling the policy.

Service

I don't think Agria gave Mrs S unfair service, as she suggests. As to payments Mrs S' received, Agria's final response letter to Mrs S detailed that the policy cancellation had resulted in the September premium of £58.62 being refunded to her bank account on the 27 September 2023. And on the 11 September 2023 it credited her account with £50 for her claim for a £50 vaccination voucher she'd redeemed. So Agria made it clear to Mrs S that the payments weren't for her disputed claim or to reinstate her policy.

It's not unusual for more than one representative at an insurer to respond to a consumer's complaint. Although Mrs S says Agria didn't respond to her complaint within the eight weeks the relevant rules say a business must respond to a complaint, Agria did tell Mrs S she could complain to us as it would take more than eight weeks to respond to her complaint. So Mrs S wasn't disadvantaged by any delay in Agria responding to her complaint. Mrs S complained to us at the beginning of November 2023 and Agria sent her its eight page detailed final response letter on 24 November 2023. I don't think the delay was caused by Agria not taking responsibility for the complaint, rather that it wanted to give Mrs S a full explanation of its position. There's no basis for me to make an award for compensation to Mrs S.

Other matters

I can't advise Mrs S about what she should say to any new insurer that she approaches to insure W, or to the insurer for her other dog. But I can tell her that she needs to read the policies' terms and conditions to see what the insurers tell her to do in her situation and for her to honestly answer questions the insurers ask her.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 6 March 2024.

Nicola Sisk
Ombudsman