

The complaint

Mrs W complains that Great Lakes Insurance SE declined her pet insurance claim and about its service. My references to Great Lakes include its agents.

Mrs W initially said she wanted to be represented by her husband, but she's made the representations about her complaint herself and I'll just refer to Mrs W.

What happened

Mrs W took out pet insurance for her dog which started on 31 July 2020 and renewed annually. The policy was insured by Great Lakes in the relevant period.

In September 2022 Mrs W's dog needed vet treatment due to serious respiratory symptoms. He was first seen by Mrs W's usual vet, which I'll refer to as vet M, but when he deteriorated he went to another vet practice overnight, which I'll refer to as vet V, where he stayed for several days. A claim for treatment of pneumonia for over £5,000 was made.

Great Lakes declined the claim saying that the claim was due to a pre-existing medical condition which wasn't covered by the policy.

Mrs W disagreed. She complained to Great Lakes saying:

- Her dog hadn't received antibiotic treatment since September 2021 and as this claim was a year later it was for a different infection than he had in 2021 and 2020. The antibiotic her dog received in 2022 was different to the medication he had in 2021 and he'd never needed oxygen therapy before, as he did in 2022, which showed he had a different type of infection in 2022.
- The reason for her dog's severe decline and the treatment at vet V was due to wrong treatment given to her dog by vet M – it had given him diuretics as it had wrongly assumed he had fluid in his lungs but didn't do any tests to confirm. After the diuretic treatment her dog's condition declined and he had to be transferred to vet V overnight. Vet V said straight away that tests needed to be done to check if the diuretics were the correct treatment, and it wasn't. Her dog didn't have fluid in his lungs so by giving the diuretics her dog's kidneys reacted and subsequent issues happened which vet V had to treat. So that treatment wasn't due to the dog's pre-existing medical condition.

Great Lakes didn't respond to Mrs W's complaint so she complained to us about the claim decline and Great Lakes' service. She wants Great Lakes to pay her claim up to the policy limit of £3,000 and compensation for the stress and upset to her whole family and her financial hardship its claim decline caused.

Great Lakes sent Mrs W a final response letter while the complaint was with us. It said:

- The September 2022 claim titled 'pneumonia' was declined as the vet history showed her dog had respiratory issues before the policy started and he hadn't been 24 months free from treatment, medication, or advice for the condition. So the claim was for a pre-existing medical condition as defined by the policy terms. Great Lakes noted the September 2022 treatment was later found to not be caused by pneumonia, but it said the vet records strongly confirmed a link between all the dog's respiratory issues that he'd been treated for.
- The dog's vet notes on 14 April 2021 say the dog has primary ciliary dyskinesia (PCD), which is autosomal-recessive genetic disease characterised by recurrent infections of the respiratory tract.
- As the claim was due to a pre-existing medical condition, which wasn't covered by the policy, the claim was correctly declined.

Our Investigator said Great Lakes reasonably declined the claim. But he said if Mrs W could provide evidence from her vet to show that the claimed for treatment wasn't linked to a pre-existing condition he would consider the complaint further. He recommended Great Lakes pay Mrs W £100 compensation for her distress and inconvenience caused by its poor communication with her.

Great Lakes accepted our Investigator's recommendation to pay Mrs W £100 compensation.

Mrs W contacted vet V and sent us its letter which she said showed vet V treated her dog for the complications caused by the wrong medication vet M had given her dog. Mrs W said that meant Great Lakes couldn't fairly say vet V's treatment was given for a pre-existing medical condition.

Our investigator said for him to reconsider his recommendation about the claim the vet/s would need to confirm that the reason her dog went to the vet in the first place, before the diuretics were given, wasn't related to a previous medical condition the dog had.

Mrs W said she would get further vet evidence but she wanted an ombudsman's decision. In brief she summarised her position to be that she didn't dispute that her dog has a serious pre-existing condition but she was claiming for vet V's treatment. She added that the following should also be considered when deciding whether her claim should be paid:

- The policy purchase process and documentation made it very clear that a pre-existing condition wouldn't be covered in most instances. But the treatment for her dog's condition caused by vet M's misuse of medication is a new event, and shouldn't been seen as part of the pre-existing medical condition her dog was initially taken to the vet for.
- The policy says '*if there is a complication during routine treatment, we will pay for any treatment caused by that complication*'. There was no caveat which says the statement doesn't apply if the complication links to a pre-existing condition.
- She's aware of the new Consumer Duty requirements. She said Great Lakes should do more in the policy to clarify the consumer's position where there are complications as a result of treatment for a pre-existing medical condition.
- The policy wording says she should follow the advice of a vet, which she did at all times.

What I provisionally decided – and why

I made a provisional decision that I was intending to not uphold the main claim complaint on the available evidence, but in response to Mrs W's request I wanted to clarify what vet evidence she would need to provide to potentially change the outcome of her complaint. I issued a provisional decision so that Mrs W had the opportunity to provide the relevant vet evidence, if she was able to, and explained that I would send any new vet evidence to Great Lakes for comment before I reached my final decision.

My provisional decision said:

'I've considered all the points Mrs W 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 Financial Conduct Authority's (FCA), the relevant regulator, rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

Mrs W's referred to the Consumer Duty which is a new standard introduced by the FCA. But Consumer Duty isn't relevant to this complaint because the event happened before 31 July 2023, the date the Consumer Duty was introduced and it isn't retrospective. I'll consider the rules and standards that were in place at the time.

The policy says that Great Lakes won't pay for *'any costs relating to pre-existing conditions'*, which the policy defines as:

'anything your pet has had treatment, medication or advice for in the last 24 months. We consider advice to include anything a vet observed and recorded in your pet's clinical history'.

I understand from Mrs W's recent correspondence with us that she now accepts the respiratory issues her dog saw vet M for in September 2022 were related to his pre-existing medical condition. For the avoidance of doubt I'm satisfied that her dog did see vet M then with a pre-existing medical condition. I say that because:

- Vet M's notes show that on 31 July 2020, the day the policy started, Mrs W took her dog to vet M with *'purulent discharge from nose, has been coughing and occ sneezing'*. The notes say she'd collected her dog the day before and he was eight weeks old. He saw vet M throughout August 2020 with a cough which Mrs W said he'd had since she collected him and the vet notes of 25 August 2020 say *'Diagnosis- Suspect bronchopneumonia'*.
- Her dog continued to be seen by vet M from July 2020 with respiratory problems. The vet notes in April 2021 say *'Diagnosis- PCD, pneumonia starting and diarrhoea'*. As Great Lakes said, PCD is primary ciliary dyskinesia, an autosomal-recessive genetic disease characterised by recurrent infections of the respiratory tract. Prior to that note there was correspondence between Mrs W and vet M about the possibility that her dog had PCD and the vet said they still needed to do tests to be sure. The vet notes of 30 April 2021 say the vet told Mrs W her dog *'will likely be dealing with these issues for the rest of his life'*. Mrs W continued to liaise with vet M about her dog's respiratory problem through 2021 and he was given medication for his symptoms.
- On 6 September 2022 when vet M saw Mrs W's dog he had respiratory issues again and the vet notes say *'over the last year, has been having his episodes less frequently. Tends to get over them quite quickly but persisting today'*. When vet M

saw the dog on 8 September the notes record *'really struggle to breath, chronic lungs infection since puppy'*.

From the vet evidence I think Great Lakes reasonably understood that Mrs W's dog was seen by vet M in September 2022 with a pre-existing medical condition, as defined by the policy. He had treatment, medication and advice for the same or very similar symptoms in the 24 months before September 2022. So Great Lakes acted in line with the policy terms, and reasonably, in declining the claim for vet M's costs.

Mrs W says her dog's health declined and he had to transfer to vet V because vet M gave her dog wrong medication for his condition. Vet M's notes say he had to be transferred to vet V for overnight care due to his respiratory distress.

I can see no evidence in vet V's notes that her dog's health had declined due to vet M wrongly giving him diuretics. Vet V's notes of 8 September 2022, the day of admission, say:

'long history starting from when owners got him as an 8 week old puppy that he already had a purulent nasal discharge at the time and has had recurring problem of respiratory issues and nasal discharge. has been referred in the past to NDSR and has had multiple BAL's, has had biopsies, etc and there has been no specific diagnosis for this problem'.

That evidence supports Great Lakes' understanding that Mrs W's dog was transferred to vet V because of his pre-existing medical condition.

And I can see no evidence in vet V's notes at the time Mrs W's dog was with them, from 8 to 12 September 2022, to support Mrs W's suggestion that her dog's treatment at vet V was only necessary due to vet M giving him wrong medication.

Following our Investigator's view Mrs W wrote to vet V saying:

'(Her dog) had been seen by our vet M prior to his transfer and he had been administered diuretics. Before we left them they informed us that he would need another diuretic that evening which would be taken care of by vet V. Once admitted he was assessed and we were told he did not require a diuretic as part of his treatment. Is it possible to ask why that is please?'

Vet V replied:

'(name of dog) appeared to have non-cardiogenic pulmonary oedema which isn't often helped with administration of diuretics. He was also severely dehydrated when he was with us, and giving diuretics would worsen this and destabilise multiple other organ systems'.

I don't think that new evidence from vet V is enough to support Mrs W's suggestion that her dog wouldn't have needed treatment at vet V had it not been for the incorrect treatment by vet M. Vet V's new evidence doesn't say that was the case and, as I've said, there's no evidence that was the case in its records at the time of treating the dog.

Mrs W asked our Investigator if there was any other evidence she could provide. Our Investigator responded as I've set out above, but I think the position is different.

If vet V's treatment costs were only due to vet M giving the wrong treatment for a pre-existing medical condition, resulting in a problem with her dog's kidneys which triggered other issues, which seems quite different from a respiratory problem, then I think vet V's

costs wouldn't flow directly from the pre-existing medical condition. There would have been an intervening event which caused the problem. In addition, the policy does say it covers complications - and there's no caveat that complications arising from pre-existing medical condition treatment aren't covered. But there's no evidence that this situation applies in this case.

On the available evidence I'm satisfied that in line with the policy terms, and reasonably, Great Lakes declined the claim for vet V's costs too. The available evidence is that all the costs claimed related to the dog's pre-existing medical condition.

Great Lakes accepts it should have responded to Mrs W's requests about how to complain and her complaint as her emails should have been picked up even when she used an old email address. And it accepts it could have communicated better with Mrs W about her claim. Mrs W explained to us how emotional it was for her to see her dog suffering and the stress she had in working extra time and borrowing money from family to pay the vet bills as Great Lakes didn't pay. I understand the distress and upset Mrs W's dog's illness caused her and her family. But I can only award compensation to Mrs W, as she is the policyholder, for her distress and inconvenience due to a business' unreasonable action and I've explained why I think Great Lakes reasonably declined the claim.

I accept that Great Lakes' silence to Mrs W's emails was upsetting and frustrating for her given the whole situation. I'm satisfied that £100 compensation for Mrs W's distress and inconvenience due to Great Lakes' poor communication is a reasonable amount, and Great Lakes has now agreed to pay that amount'.

I concluded my provisional decision by saying that on the available evidence I was intending to partly uphold the complaint and require Great Lakes to pay Mrs W £100 compensation for her distress and inconvenience due to its poor communication, as it had now agreed to pay. I wasn't intending to uphold the main claim complaint on the evidence I'd seen but I would consider any additional evidence Mrs W could provide as set out above.

Responses to my provisional decision

Mrs W provided evidence from vet V which she said supported her case. In summary vet V said:

- Based on the history at the time there was a possibility that the diuretics vet M gave the dog could have been the correct treatment option. But due to the dog's deteriorating condition when he was at vet V they did further investigation before continuing the diuretics. Based on the imaging and blood results it was decided to discontinue the diuretics and treat the likely infection more aggressively and support the other organ systems to recover from the impact that the diuretics had.
- Mrs W has made it clear she's not trying to point blame against any treating vet. She wants to clarify to what extent the treatment that was given to her dog was due to the impact of the diuretics.
- Their opinion is that the diuretics made a significant contribution towards the dog's dehydration, stress on the kidneys and cardiovascular system and consequent thickening of mucous and infective material in the lungs which contributed to the longer and more intensive hospital treatment needed to stabilise and support him to recovery.
- The full extent of the impact of the diuretics wasn't initially clear and became more evident over the subsequent days, which is why the impact wasn't clearer in the initial clinical notes.

- It may be difficult to predict the amount of care the dog would have needed had he not had the diuretics. However the increased viscosity of the mucous and purulent material in his lungs and stress on his renal function would have had a major contributing factor in the level of care he received.

We sent vet V's new evidence to Great Lakes to ask for its comments. In summary it replied:

- The policy says *'If there is a complication during routine treatment, we will pay for any treatment caused by that complication'*. But the policy gave examples of what it meant by routine treatment:

'We will not pay for any routine or preventative healthcare, for example, vaccinations, tick, worming and flea treatments, grooming and nailcare, spaying and neutering'.

The treatment Mrs W's dog received at vet M immediately before the treatment at vet V was for a respiratory distress episode caused by a respiratory infection, which wasn't routine. So the policy clause about complications arising from routine treatment didn't apply.

- I'd agreed that Mrs W's dog had a pre-existing medical condition and the policy said it *'will not pay for any costs relating to pre-existing conditions'*. That meant it wouldn't pay anything related to the pre-existing condition, including complications.
- Vet V's latest evidence shows that further investigations were required as part of the dog's continued treatment of his respiratory distress. Vet V continued without repeating the diuretics – instead treating the infection more aggressively with different antibiotic agents, oxygen therapy and bronchodilator.
- Whether vet M using the diuretic was clinically the best course of treatment is beyond the remit of Great Lakes as the insurer. But that didn't make a difference to cover because all the treatment was administered directly as a result of the pre-existing respiratory 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 carefully considered the new evidence Mrs W has provided from her dog's vet V, Great Lakes' response as well as reconsideration of all the evidence. I'm sorry to disappoint Mrs W but her new evidence hasn't changed my mind and I still think Great Lakes reasonably declined the claim.

I explained in my provisional findings why I thought Great Lakes reasonably understood that Mrs W's dog was seen by vet M in September 2022 with a pre-existing medical condition, as defined by the policy. I've received no further evidence about the condition vet M treated. So for the reasons I've given I'm satisfied Great Lakes acted in line with the policy terms, and reasonably, in declining the claim for vet M's costs.

I also explained in my provisional findings that on the evidence I had at that time I thought Great Lakes acted in line with the policy terms, and reasonably, in declining the claim for vet V's costs too, as the costs claimed related to the dog's pre-existing medical condition. I also set out in what circumstances I may consider that vet V's treatment didn't flow directly from the pre-existing medical condition. And I noted that the policy said it covered complications, with no caveat that complications arising from pre-existing medical conditions treatment aren't covered.

I accept Great Lakes' point that the policy says it will pay for complications during routine treatment, and that under the policy terms Mrs W's dog wasn't having routine treatment. But I also have to consider what's fair and reasonable given the overall circumstances.

Vet V's new evidence is clear that although it was possible that the diuretics vet M gave the dog could have been the correct treatment option, the diuretics made a '*significant contribution*' towards the dog's ill-health which contributed to the '*longer and more intensive hospital treatment to stabilise and support him*'. And although it was difficult to predict the amount of care the dog would have needed if he hadn't had the diuretics, vet V's opinion is that the contributory effects of the diuretics had a '*major contributing factor in the level of care*' that the dog received.

It's not in my remit, nor Great Lakes' remit as the insurer, to decide whether administering diuretics was clinically the best course of treatment to the dog at the relevant time. Vet V says it's possible that the diuretic was the correct treatment option at that time. In which case I can't say that vet V's treatment costs were only due to vet M giving the dog the wrong treatment for a pre-existing medical condition.

But even if the diuretics were the wrong treatment, vet V's evidence shows that their treatment costs weren't only due to the wrong treatment. Vet V did imaging, further tests and more aggressive treatment of the infection, as well as treatment required because of the diuretics.

Even on the new evidence Mrs W's provided I can't reasonably say that vet V's costs didn't flow directly from the pre-existing medical condition. There wasn't an intervening event that was responsible for all of vet V's fees. For the reasons in my provisional findings and these findings I remain satisfied that Great Lakes reasonably declined the claim for vet V's costs.

My provisional findings also set out why I thought that £100 compensation for Mrs W's distress and inconvenience due to Great Lakes' poor communication was a reasonable amount, which Great Lakes has now agreed to pay. Neither party has commented on that matter so I remain satisfied that £100 compensation is reasonable.

Putting things right

Great Lakes must pay Mrs W £100 compensation for her distress and inconvenience due to its poor communication, as it's now agreed to pay.

My final decision

I partly uphold the complaint and require Great Lakes Insurance SE to pay Mrs W £100 compensation for her distress and inconvenience due to its poor communication, as it's now agreed to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 April 2024.

Nicola Sisk
Ombudsman