

The complaint

Mrs M's complaint is about a claim she made on her HDI Global Specialty SE ('HDI') pet insurance policy, which HDI declined to cover.

Mrs M says HDI treated her unfairly and wants them to cover her claim. She's also unhappy with the delays HDI caused in dealing with her claim.

What happened

Mrs M had pet insurance in place with HDI. She made a claim on her policy for some dental treatment to her pet. HDI declined the claim on the basis that dental treatment wasn't covered unless it was as a result of an accident, or for new conditions or illnesses, the policy had been in force for over 12 months.

Mrs M said her policy had been in place for over 12 months so HDI should have covered her claim. She was also unhappy with the time it took HDI to deal with her complaint, so she referred her complaint to the Financial Ombudsman Service.

HDI accepted that it had taken them too long to respond to Mrs M's claim and offered her £50 in compensation for this. They also said that Mrs M took out her current policy with HDI in January 2023 online. And whilst she did have cover in place with them before this under her maiden name and with a different email address, that cover had lapsed, and Mrs M didn't take up the renewal invitation. Instead, she purchased new insurance online in her married name and with a different email address. As a result, HDI say she didn't have cover in place for over 12 months.

Our investigator considered Mrs M's complaint but didn't uphold her complaint about the claim. She did however say that the offer HDI had made in respect of the delays in dealing with it was reasonable. Mrs M doesn't agree, so the matter has been passed to me to decide.

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 will be upholding Mrs M's complaint in respect of the delays in dealing with her claim, but not in respect of HDI's decision to decline to cover it. I'll explain why.

The starting point is the policy terms. They say:

“Dental Cover

We will pay fees for dental treatment as a result of an accident and subject to evidence of yearly dental check-ups where any work recommended is carried out at your own expense. After your policy has been live for a minimum of 12 months, we will also cover dental treatment as a result of illness for any new conditions diagnosed, which have not shown any clinical signs/symptoms before your policy started or would have been present prior to the

first anniversary of your policy commencing.”

Mrs M’s pet was treated for periodontal disease. Given this condition wasn’t as a result of an accident, there was a requirement for Mrs M’s policy to have been live for a minimum of 12 months, as long as the condition claimed for didn’t show any clinical signs or symptoms before her policy started or were present before the first anniversary of her policy starting.

Mrs M has said she did have cover in place with HDI for two consecutive years which were for the same pet, with the same level of cover. The only differences applicable were new policy numbers, the fact that she didn’t renew the first policy, but took it out online as a new policy instead and the change in her surname and email address. Because of this she feels it’s unfair that HDI have applied the approach they have here to rejecting her claim.

I appreciate the points Mrs M has made in this complaint but the type of cover she took out with HDI was lifetime cover. Lifetime cover is subject to a number of terms and conditions and means that the pet will typically be covered for any conditions they develop for the rest of their lives as long as the policy continues. The pet is usually covered up to a set amount each year until the policy limit is reached. When the policy renews, the full limit becomes available again. This is explained in Mrs T’s policy as follows:

“Lifetime policy explanation

All cover levels are all lifetime contracts, which provide a fixed amount of money each year to cover all veterinary treatment. "Lifetime" refers to the ability to renew the contract each year, and the level of cover resets when you renew the policy each year.

Should your pet's total veterinary treatment in the policy year exceed the limit applicable for your chosen level of cover there will be no further cover until the renewal of the policy when the cover resets at renewal. This means, as long as you keep your policy renewed, the premiums paid up to date and the insurer invites renewal, there is no limit on how long you can claim for each illness or injury.”

The policy also explains how the period of insurance operates as follows:

“Period of insurance

The period for which the premium has been paid and for which your pet is covered as shown on your policy schedule. Each renewal is the start of a new period of insurance.”

Because this was a lifetime cover policy, the requirement for continuous cover was for the policy to be *renewed* rather than taken out as a new policy. So, allowing a lifetime policy to lapse and taking out cover with the same provider for the same type of insurance wouldn’t amount to a renewal. This was explained to Mrs M in the renewal email sent to her in December 2023 which said:

“Your pet insurance policy expires shortly and to ensure there is no break in your protection, we are delighted to enclose an offer to insure (your pet) for the coming year...”

The renewal premium was quoted as £426.36, whilst the new cover Mrs M took out was for £410.76. Whilst there wasn’t a big difference in the price of the policy, (most likely because this was the first renewal of lifetime cover) the price quoted by HDI was reflective of a renewal of the existing policy which would’ve meant that Mrs M had continuous cover in place. By allowing the policy to lapse and taking out new cover, albeit on the same terms, the original policy didn’t remain live. Rather, that cover was brought to an end, and new cover started. So, I don’t think the approach HDI took in this case was unfair. I know Mrs M doesn’t agree but the policy she took out did explain that she needed to renew it in order to retain continuing cover and this is consistent with policies of this nature as well as our

general approach to them. And the renewal invitation also said explained she needed to renew in order for there to be no break in the protection she was being offered. Because of this, I don't think HDI did anything wrong in this case in declining Mrs M's claim for her pet's dental treatment.

Turning now to the delay Mrs M has complained of in HDI responding to her claim. I agree with HDI that they took too long to respond to her claim- around 8 weeks in total, which would have been frustrating for Mrs M. HDI have offered her £50 in recognition of this delay. Whilst the amount isn't significant, it does broadly accord with what we'd award in these similar circumstances, so I think their offer is fair and adequately compensates Mrs M for the frustration they would have caused. As such I uphold this element of her complaint and direct HDI to pay £50 to her directly.

Putting things right

HDI should pay Mrs M £50 in recognition of the delay in dealing with her claim,

My final decision

For the reasons set out above, I uphold Mrs M's complaint against HDI Global Specialty SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 April 2024.

Lale Hussein-Venn
Ombudsman