

## **The complaint**

Mrs T complains that QIC Europe Ltd has unfairly applied limits to the claim settlement payable under her pet insurance policy.

Where I refer to QIC, this includes the actions of its agents and claims handlers for which it takes responsibility.

## **What happened**

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Mrs T has pet insurance cover for her dog, underwritten by QIC.

In 2023, Mrs T's dog needed surgery for a cruciate ligament injury. She says she checked her policy cover and contacted QIC by phone, and it appeared she was covered in full. But when she made her claim, QIC said it would only pay £1,500, despite her having a maximum benefit policy with cover up to £7,500.

Mrs T raised concerns to QIC about how she'd cover the remainder of the costs; she'd had to pay over £4,000 for the shortfall of the vet fees and was anticipating further vet bills for follow up treatment. She says QIC suggested she ask her vet to claim for any follow up treatment under a different reason so that she'd be covered. Mrs T is extremely concerned that she was advised to commit insurance fraud. She raised a complaint.

QIC maintained its decision on Mrs T's claim. It explained the policy has sub-limits for certain conditions, including cruciate ligament injuries, and it's paid the maximum benefit of £1,500.

QIC said that, whilst Mrs T didn't mention the cruciate ligament in the calls prior to making her claim and its call staff aren't medically trained, it recognises that the sub-limit should've been highlighted when Mrs T said her dog had injured his leg. It offered £250 compensation to put things right, which Mrs T rejected.

Mrs T brought her complaint to our service. But our Investigator was satisfied QIC had acted in line with the policy terms and conditions and hadn't treated Mrs T unfairly. She thought the offer of compensation fairly reflected the impact the customer service issues had on Mrs T.

Mrs T didn't agree. She says Consumer Duty puts the onus on QIC to inform her of any policy restrictions when speaking to her and this didn't happen.

The complaint 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.

I'd like to reassure Mrs T that whilst I may have condensed what she's told us in far less detail and in my own words, I've read and considered all her submissions. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail she'd like, in order to reach my decision. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

#### *Claims settlement*

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to insure and to what extent, and it will charge a premium based on the level of cover it's providing. As long as the cover is set out clearly in the policy documents, our service wouldn't usually involve ourselves in these commercial decisions.

I understand that sub-limits were introduced to Mrs T's pet insurance policy in 2014. QIC has provided us with a copy of the policy renewal letter sent to Mrs T in 2015 which says:

#### *"Significant changes in cover*

*Policy sub limits will be applied to all new conditions whereby treatment involves: complementary medicine, special diet, CT/MRI scans and associated costs, cruciate ligament and dentistry. Details of which can be found on the benefit table within your policy terms and conditions."*

Since that renewal, this information has been included within Mrs T's policy documentation. I can see that her policy schedule for her renewal – which took place one month prior to this claim – refers to the maximum benefit limits stating, *"subject to sub-limits and exclusions"*.

On the Insurance Product Information Document (IPID), which highlights significant features and exclusions, it says:

#### *"What is not insured*

*Other exclusions and sub-limits apply see policy wording."*

Within the main policy terms and conditions, on page one, there is a benefit table which says:

<i>Cover</i>	<i>Gold</i>
<i>Cover for accidents / illness</i>	<i>£7,500</i>
<i>Cruciate ligament total</i>	<i>£1,500</i>

The policy definitions, also on page one above the benefit table, provides the following definitions:

#### *"Sub limits*

*A Sub Limit places a maximum on the amount available to pay that type of loss, rather than providing additional coverage for that type of loss. That is, Sub Limits do not provide extra coverage, but set a maximum to cover a specific loss."*

Based on this, I'm satisfied QIC highlighted the introduction of sub-limits to Mrs T at the time they were added to her policy. And the information provided within the renewal documents each year since has been clear, fair, and not misleading.

The sub-limit is a significant restriction on cover, particularly for cruciate ligament injuries, so I wouldn't expect to see it hidden in small print or within lengthy terms and conditions. I'm

pleased to see this information clearly set out in a table on page one of a four-page document.

Mrs T has an excess and co-payment on her policy. I'm pleased to see that QIC has deducted these to the claim amount prior to applying the policy limits, rather than the other way round. This is in line with our Service's approach and means that Mrs T has benefited from the full contribution of £1,500 towards her claim.

#### *Customer service*

Mrs T made two calls to QIC prior to making her claim. She says that, in line with the obligations placed on businesses by Consumer Duty, QIC should've told her on these calls that there were sub limits on claims for cruciate ligament injuries as there was foreseeable harm. As it didn't mention this, it didn't mitigate the risk.

I've listened to these calls. Mrs T didn't tell QIC that her dog had injured his cruciate ligament, only that he was having surgery following a leg injury. Whilst arguably this should've prompted QIC to highlight the policy sub limit for specific leg injuries, the advisor on the call did ask Mrs T if she wanted them to go through anything with her regarding the excesses, cover, or anything else. Mrs T asked about the policy excess but nothing further.

If QIC had mentioned the sub limit on these calls, Mrs T would've been reminded that she only had cover of £1,500. But she would've been in the same position – if she went ahead with the surgery, that's all she could claim for. Being reminded of the limit wouldn't have changed that. She hasn't provided me with persuasive evidence that she would've done anything differently and what the outcome of those actions would've been.

Whilst I appreciate her comments that QIC needed to foresee the financial harm and mitigate the risk, Mrs T had already taken out the policy – which had been in place for over ten years – and her dog required cruciate ligament surgery. So it's not clear what actions QIC could've taken to reduce the loss to Mrs T other than by providing clear information about the policy upfront before a claim had arisen – which it did.

Firms should provide the support customers need to realise the benefits of the product and ensure that customers do not face unreasonable barriers. So QIC should ensure Mrs T is able to claim on her policy. But that didn't require it to go beyond what the policy provides.

QIC has offered £250 compensation for missing the opportunity to highlight the policy terms to Mrs T on these calls. Mrs T should contact QIC directly if she now wishes to accept this offer.

Mrs T also complains about a call she had with QIC after the claim was made. She says she was advised to commit insurance fraud in order to have further costs met by the policy. But having listened to the call, I don't agree.

On this call, Mrs T anticipated follow up treatment following the surgery and queried if this would be covered. The advisor explained that *"anything in relation to the cruciate ligament does fall under that sub limit"*. However, she said to speak to the vet and *"make them aware of this sub limit and to see if the relation to the x-rays could also fall under a different part of the policy"* and that they *"might be able to do something"*.

QIC has told us that the advisor is a newer member of staff and didn't quite use the right terminology. Rather, she was essentially saying that the x-ray could fall under a different diagnosis.

Whilst I don't think the advisor was as clear as she could've been, I don't think she was suggesting Mrs T commits fraud. Rather, she was indicating that another part of the policy might cover this claim if the x-ray was needed in relation to anything other than just follow-up treatment for the cruciate ligament surgery.

In any event, Mrs T later found out that the cost of the follow up treatment was included within the initial vet fees and there was nothing additional for her to pay. So whilst I appreciate she's concerned about the advice given in this call, my role isn't to punish businesses for things it could do better. But rather, it's to ensure Mrs T isn't negatively impacted by its actions. And I'm satisfied she hasn't been in respect to this call.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 5 August 2024.

Sheryl Sibley  
**Ombudsman**