

## **The complaint**

Mrs and Mr P complain that Casualty & General Insurance Company (Europe) Ltd (CGIC) declined their pet insurance claim. My references to CGIC include its agents.

## **What happened**

Mrs and Mr P had pet insurance for their dog insured by CGIC since 2018. In 2023 Mrs P spoke with CGIC as she wanted to reduce her premium from the price quoted for renewing the existing policy. Mrs P says she was advised by CGIC to cancel the existing policy and take out a new policy with a cheaper premium. The new policy started on 2 November 2023 and didn't cover pre-existing conditions.

In December 2023 Mrs and Mr P's dog became very unwell. He was diagnosed with renal failure and they made the difficult decision for their dog to be put to sleep. They made a claim for the vet costs for treatment of their dog's 'CRD Azotaemia/Renal Failure'.

CGIC declined the claim. It said the renal failure was associated with the use of steroids, which Mrs and Mr P's dog had been taking for chronic bronchitis since before the policy started in 2023. CGIC said that meant the renal failure was a pre-existing condition under the policy terms and not covered.

Mrs and Mr P complained to us. In summary they said:

- CGIC's stance that the steroids caused their dog's renal failure didn't take into account what their vet had said about the cause of the condition. And the research CGIC sent them to support its stance wasn't 'like for like' with their dog's situation.
- They want CGIC to pay the claim and acknowledge that having to complain about its decision meant they had to re-live the death of their dog which was a very sad and stressful time.

Our Investigator said CGIC unfairly declined the claim. He recommended that CGIC reconsider the CRD Azotaemia/Renal Failure claim in line with the remaining terms and conditions of the policy. He also recommended CGIC pay Mrs and Mr P £250 compensation for their distress and inconvenience in having to complain about the claim decline at an already difficult time for them after their dog died.

Mrs and Mr P accepted our Investigator's recommendations. CGIC didn't accept saying it was clear that long term steroid use is linked to the condition claimed for. It sent a summary of the research that its in-house vet had relied on to come to that conclusion. It added that the treating vet stopping the steroid use when the diagnosis was made supported the link between the steroid use and the renal failure.

## **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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

In CGIC's final response letter it says it received a claim for 'CRD Azotaemia/Renal Failure' and a claim for 'Bronchitis' and declined both as being related to pre-existing conditions. Mrs and Mr P haven't complained to us about CGIC's decline of the Bronchitis claim so my decision is only about whether CGIC reasonably declined the claim for CRD Azotaemia/Renal Failure.

In her complaint form Mrs P says she was advised by CGIC to cancel her original policy and take out this new policy to get a cheaper premium. I haven't seen any information about the previous policy to know if their dog's renal failure would have been covered under the original policy. When our Investigator asked CGIC that question CGIC's response was that the claim would have been assessed on its merits.

But, even if the claim for renal failure would have been covered under the original policy, I don't think CGIC did anything wrong when speaking to Mrs P about changing the policy. The call recordings around the original policy cancellation show that Mrs P was looking to lower the premium. She and CGIC had several discussions and CGIC was clear that if she took out a new policy then pre-existing conditions wouldn't be covered and it told her the implications of the first 14 days of the policy wait period.

So the issue I have to decide is whether CGIC reasonably said that the CRD Azotaemia/Renal Failure claim was for a pre-existing condition.

The policy is clear that there's no cover for a claim for illness that relates to a pre-existing condition. The policy defines a pre-existing condition as:

*'any diagnosed or undiagnosed Condition and/or Associated Condition which has happened or has shown Clinical Signs or Symptoms of existing in any form before the Policy Start Date or within the Waiting Period'.*

CGIC says the claim for CRD Azotaemia/Renal Failure was declined because Mrs and Mr P dog's medical history shows steroid use, which can be a contributing factor to renal disease. I accept that the medical history shows the dog was on steroids for bronchitis from around 2022, before the relevant policy began in 2023.

The research paper CGIC has provided to support its position says *'The results of this study indicate that long-term administration of glucocorticoids results in significant proteinuria and glomerular changes in the dog'*. CGIC's in-house vet says that essentially means *'long term steroid use can negatively impact the kidneys and would be considered a contributing factor to the kidneys'*.

CGIC's in-house vet's opinion is that *'long term steroid use can (my emphasis) negatively impact the kidneys'*. But it's for CGIC to show that the policy exclusion applies to this specific claim. CGIC has to show that, taking into account all the circumstances, it was more likely than not that the steroids caused the renal failure in Mrs and Mr P's dog.

Mrs P raised with CGIC that the dogs in the research were on a higher dose of steroids than her dog, and I note that the research was on *'young adult male dogs'* whereas Mrs and Mr P's dog was nearly 13 years old when he was diagnosed with renal failure. CGIC didn't respond to Mrs P's comments about why the research wasn't a 'like for like' situation to her dog, but I think there are elements that show it wasn't.

In addition, CGIC says it asked Mrs and Mr P's dog's treating vet to confirm whether or not their dog's renal failure was likely to be associated with long term steroid use. The treating vet said:

*'(Dog's name) renal failure was caused by acute decompensation of chronic kidney disease compounded by anorexia/dehydration linked with his poor lung function and*

*lethargy associated with the breathing difficulty. The steroids oral were stopped when the acute renal failure occurred'.*

CGIC says the vet stopping the steroids when the renal failure occurred shows the steroids caused the condition. But that's not what the treating vet said in response to CGIC's clear question. And Mrs and Mr P say they were told by the treating vet that the steroids didn't cause the renal failure.

I don't think the vet stopping the steroids has to mean the steroids were the cause of Mrs and Mr P's dog's renal failure. It could be that steroids would have exacerbated the condition, which doesn't have to mean the steroids caused the condition. Or the vet stopping steroids could have been because by the time Mrs and Mr P's dog was diagnosed with renal failure he was very unwell, he was put to sleep three days after diagnosis so sadly he was at the end of his life.

Overall I'm not persuaded that CGIC had shown that it can fairly apply the pre-existing condition exclusion to the claim for Mrs and Mr P's dog's renal failure. I'm more persuaded by the treating vet's comments as to the cause of the condition rather than CGIC's reasoning.

CGIC should reconsider the CRD Azotaemia/Renal Failure claim in line with the remaining policy terms and conditions.

CGIC hasn't commented on our Investigator's recommendation that it pay Mrs and Mr P compensation. I think CGIC should have reasonably understood it didn't have enough specific evidence to conclude that it could fairly apply the pre-existing condition exclusion to this claim. I think the £250 compensation our Investigator recommended is a reasonable amount to acknowledge Mrs and Mr P's distress and inconvenience CGIC's unreasonable actions caused at an already difficult time for them.

### **My final decision**

I uphold this complaint and require Casualty & General Insurance Company (Europe) Ltd to:

- Reconsider the CRD Azotaemia/Renal Failure claim in line with the remaining policy terms and conditions, and
- Pay Mrs and Mr P £250 compensation to acknowledge their distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 1 August 2024.

Nicola Sisk  
**Ombudsman**