

The complaint

Mrs G complains that when she renewed her horse insurance policy, The National Farmers' Union Mutual Insurance Society Limited ("NFU Mutual") removed cover for vet's fees for one of her horses.

What happened

Mrs G has a horse insurance policy that provides cover for three horses. She's had the policy since March 2019 and renewed it in March each year since. The policy provided cover for each horse for loss of animal, vet's fees and personal liability.

When the policy came up for renewal in March 2024 NFU Mutual told her it would no longer include cover for vet's fees for one of the horses.

Mrs G contacted NFU Mutual to see if this cover could be reinstated but this was not agreed. So she complained.

In its final response to the complaint, NFU Mutual said the policy terms allowed it to make changes at renewal; and the underwriters had reviewed her policy following the number of claims made and it was no longer possible to provide cover for vet's fees for that horse.

Mrs G referred the complaint to this Service but our investigator said NFU Mutual was able to review the cover provided when renewing the policy and its decision was in line with its underwriting criteria. So he didn't think she had been treated unfairly.

Mrs G disagrees and has requested an ombudsman's decision. She's made a number of comments, including:

- NFU Mutual set a precedent when it continued covering vet's fees for another of her horses despite a number of claims.
- She was never warned that making claims would affect the renewal of her policy. If she'd known that, she could have self-funded at least one of the claims.
- It's not up to NFU Mutual to decide if she can afford her policy.
- The investigator said the policy could be renewed after two years, but NFU Mutual had never told her that.

The investigator reviewed the additional comments but didn't change his view that NFU Mutual was entitled to review the level of cover. He said affordability wasn't an issue in the decision. He contacted NFU Mutual asking it to confirm to Mrs G that cover could be reviewed after two years.

As no agreement has been reached, the complaint has been passed to me.

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.

Mrs G's insurance provides cover for 12 months. At each renewal, a new contract is entered into. Insurers are entitled to decide what risks they wish to take on and how much to charge for the insurance cover they provide. The policy terms allow NFU Mutual to review the policy and say it will let the customer know before renewal of the proposed policy terms and any changes.

This is a decision for NFU Mutual to make each year; it can decide whether to offer cover again and if so, on what terms. It's then up to Mrs G whether she wishes to accept the terms offered and renew the policy.

I don't have the power to tell an insurer what risks it should cover. I would in effect be telling a business how it should operate and that's not my role. But I can consider whether a customer has been treated fairly.

The starting point for this is that an insurer should treat all customers with the same pricing factors in the same way. NFU Mutual has provided information about its underwriting criteria and how it decided what cover to offer Mrs G. The particular issue in this case was the number of claims settled in the previous year.

I can't provide details of the underwriting criteria to Mrs G. But these show that where three claims have been settled in the past year, a referral is made to the underwriters. And the starting point in these circumstances is not to renew the policy. But individual circumstances are taken into account. NFU Mutual decided not to remove the horse from the policy altogether, but to remove cover for vet's fees.

Mrs G has referred to the fact she'd made claims for another horse in the past and NFU Mutual continued to offer cover. It may be the circumstances were different then – perhaps the underwriting criteria were different or those claims were spread over a longer period. But I can't comment on that; I'm only considering how NFU Mutual dealt with this renewal.

I don't think affordability was relevant to NFU Mutual's decision. It mentioned that if it had offered cover, the amount of the excess and the premium she would have had to pay would have been such that she wouldn't have got any real benefit. That relates to the level of cover Mrs G would have had, rather than whether the policy would have been affordable. And in any event, there was no obligation on NFU Mutual to offer cover.

NFU Mutual has said it can review the cover in two years. That's not unusual and pet insurers will often review cover if the animal has not had further issues. Mrs G may ask NFU Mutual to do that if she wishes.

Mrs G has also said NFU Mutual could have offered a reduced level of cover for vet's fees – for example, limited to colic and accident cover only. That would be a matter for NFU Mutual to decide. But Mrs G hasn't complained about that and NFU Mutual's final response letter didn't address this issue. If she's unhappy about that she may complain to NFU Mutual and, if she remains unhappy with its response, may then refer that to us.

I appreciate it would have been very upsetting for Mrs G to find she no longer had cover for vet's fees for this horse. But for the reasons given I'm satisfied NFU Mutual's decision not to offer this was reasonable.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 26 July 2024.

Peter Whiteley
Ombudsman