

The complaint

Miss S complains about how The National Farmers' Union Mutual Insurance Society Limited (NFU) handled a claim under her horse insurance policy for the loss of her horse.

References to NFU include their agents who administer the policy.

What happened

Miss S purchased a horse from a private seller in May 2023, at a cost of £5,000. Miss S thought the horse was nervous, but this wasn't uncommon, and she believed this would ease over time. She began training the horse but had an accident with another horse at the beginning of June and wasn't able to continue the training. She moved the horse to a livery company to continue its training. She took out a horse insurance policy for the horse with NFU in mid-June 2023, a week after the horse was moved. The policy came into force 14 days later (the policy excluded cover for any new illness, disease or condition displaying clinical signs or symptoms within 14 days of the start of cover), covering loss of animal and veterinary fees (at a total annual premium of £981.05).

However, the company had problems with the horse bolting while under saddle. Miss S thought the issue might be pain whilst under saddle, so arranged for the horse to be examined by a vet (H) in July 2023. H examined the horse and then carried out x-rays, which revealed an osseous fragment on the arctic facet joint in the horse's neck (fracture). H advised against a course of medication and the horse was dangerous to ride, so recommended euthanising the horse. Miss S agreed the horse should be euthanised. She contacted NFU about the proposed euthanasia and was told she didn't need their permission for the euthanasia, but it would need to be in accordance with guidelines issued by the British Equine Veterinary Association (BEVA). The horse was euthanised shortly afterwards.

Miss S then made a claim for treatment and euthanasia of the horse. However, NFU had concerns the condition may have been pre-existing, given the delay taking out the policy after Miss S acquired the horse and the short time from inception to the claim being made. NFU investigated the claim further and then declined it in full, having engaged a consultant vet (DPE) to assess the claim and circumstances.

They said the horse's condition appeared to be very longstanding and the horse would have suffered the fracture many months before the examination. As this was before the inception of the policy, it wouldn't be covered as a pre-existing condition (NFU referred to the policy terms and conditions). NFU also said they'd been advised (by DPE) the euthanasia of the horse didn't meet the BEVA guidelines for the destruction of horses (on humane grounds) under All Risk Mortality insurance policies. While the horse was unsafe to ride, it could have been retired indefinitely.

Miss S challenged the decline, providing veterinary statements. NFU reviewed the statements from C but didn't change their decision to decline Miss S's claim. They engaged a loss adjuster (C) to further assess the claim, which (after interviewing Miss S and considering the evidence and information available) confirmed NFU's concerns about the claim. In light of this and Miss S's response, they raised a complaint (February 2024).

NFU didn't uphold the complaint, saying they hadn't made any errors. After review of the claim by their consultant vet (DPE) having consulted with S, it was determined the horse was suffering from a pre-existing condition which caused the issues. So, the claim was declined for this reason. On the euthanasia of the horse, DPE (after consulting S) concluded the horse only suffered pain when its neck was flexed into position adopted in a ridden exercise. So, it could have been retired indefinitely in a paddock. As such, the horse wasn't euthanised in accordance with BEVA guidelines.

Miss S then complained to this Service, unhappy at her claim being declined. She felt NFU had ignored the evidence she'd provided and unfairly declined her claim. She took the right course in the circumstances to have her horse euthanised. She'd lost out financially and been served with final notices to pay from the two vets because of the time it had taken pursuing her claim. She wanted NFU to accept her claim.

Our investigator didn't uphold the complaint, concluding NFU didn't need to take any action. On the euthanasia of the horse, the investigator looked at the BEVA guidelines on their website, together with the clinical notes. The latter included options other than the horse being put to sleep. The investigator also noted DPE's view and concluded the horse hadn't been euthanised in accordance with BEVA guidelines.

On the decline of the claim for veterinary fees due to the horse having a pre-existing condition, based on DPE's view (having spoken to H) the investigator was persuaded the horse's condition was pre-existing when the policy was taken out. While Miss S hadn't had the horse vetted, the policy terms and conditions only required the condition to be present (not necessarily diagnosed). This would also have meant the euthanasia of the horse wouldn't be covered – even had it been diagnosed in accordance with BEVA guidelines.

Miss S disagreed with the investigator's revised conclusions and requested that an ombudsman review the complaint. She said she'd bought the horse in good faith and thought it was sound, having no reason to see or know it had any issues. She'd had to wait three weeks before the horse could be examined by the vet, and she'd contacted NFU before the horse was examined. And she wouldn't have taken out the policy had she been aware of the condition. The horse was dangerous to ride, so the sensible course was to euthanise it. Nor was she able to keep it in paddock. Two vet reports recommended the horse be euthanised – so how could that breach BEVA guidelines.

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.

My role here is to decide whether NFU have acted fairly towards Miss S.

The key issue in Miss S's complaint is the decline of her claim for treatment of and euthanasia of her horse. Miss S says this was unfair, based on the statements from her vet. NFU say they fairly declined the claim on the grounds the horse's condition was pre-existing and the BEVA guidelines for euthanasia weren't met.

I've considered both views carefully, together with the evidence and information available. Having done so, I'm more persuaded by NFU's view. I know Miss S will be disappointed by this, so I'll set out why I've come to this conclusion.

On the decline of the claim on the grounds the horse's condition was pre-existing, NFU refer to the following policy terms and conditions, under the *General Exclusions* section of the policy:

“General exclusions

(Applying to the whole policy)

We do not cover the following.

Existing conditions

We will not pay any claim for you or an insured person which directly or indirectly arises from, or is connected with:

- *Any accident which happened or physical condition which first appeared before the current period of cover.*

We will not pay any claim for a horse which directly or indirectly arises from, or is connected with any accident, illness, disease or condition that happened, manifested, was present or had been diagnosed in the horse before the start of cover or, was the subject of a previous claim under this policy.”

NFU also refer to the findings of their consultant vet (DPE), the key elements of which are as follows:

“Radiographs, which I have reviewed, revealed a longstanding fracture fragment of the articular facet joint of C4/C5 interface and significant bony remodelling of the affected facet joint (osteophyte formation indicative of established DJD of the affected facet joint) of the damage facet joint.

I discussed the appearance of the osseous pathology visible on the radiographs of the lower cervical region of the neck with [H] and he advised that he could not disagree with my observations that the degree of bony remodelling around the damaged facet joint indicated that the condition was very longstanding (chronic) and the animal had suffered this facet joint fracture many months prior to his examination on 18/07/2023.

Having considered the clinical information in this case extremely carefully...it is my opinion that the veterinary fees claim for the investigation of this bolting behaviour should be repudiated on the grounds the condition pre-existed inception of insurance.”

The clinical notes for the horse (from H) are limited, but include the following extract on the date the horse was examined in July 2023:

“History – Episodes of bolting when ridden.

Examination – Very stiff through back & lower neck.

X-Ray Back – NAD, Neck – osseous fragment on arctic facet joint C4/5

U/S: Confirmation of fragment on facet joint C4/% right hand side of neck.

Plan – Options:

1. *Surgical removal of fragment – guarded prognosis & concern re behaviour*
2. *PTS [put to sleep]*
3. *Joint medication – ADV against as dangerous to ride.”*

I've seen no evidence to contradict DPE's findings and conclusions that the condition was longstanding and likely to have occurred many months prior to the horse being examined in July 2023. So, I've concluded the condition was pre-existing.

Miss S says she bought the horse in good faith and that she had no reason to see or know there was an issue. I don't doubt this was the case – had she done so, I don't think it likely she would have purchased the horse. However, that doesn't change the fact the condition diagnosed was likely to have been present at the time she purchased the horse. And the policy wording above indicates a condition has to be present – not simply manifested itself or been diagnosed.

So, I've concluded NFU acted within the policy terms and conditions in declining the claim for veterinary fees for treatment of the horse.

On the decline of the element of the claim for euthanasia of the horse, DPE states:

“The animal was electively euthanised because meaningful options for treatment to enable it to be a safe ridden athlete were unavailable. The horse could have been retired indefinitely in a paddock because, although it had a mildly stiff neck, it was not in permanent severe discomfort (exacerbation of the neck pain only occurred when the neck was flexed into a position adopted during ridden exercise) and so it did not fulfil the criteria established in the BEVA guidelines for euthanasia of horses on humane grounds under all risk mortality insurance policy terms. I therefore recommend that the loss of animal claim be repudiated on two counts, one that the condition pre-existed inception of insurance and secondly because the policy terms for a valid LOA claim had not been fulfilled this case.”

Miss S refers to two vet statements recommending the horse be euthanised. The clinical history from H above gives three options, the recommended one being PTS. And Miss S's statement to C includes reference to H contacting Miss S to say the horse could never be ridden again and he recommended the horse be put down.

I've also seen a certificate (which appears to be signed by a second vet, S) which includes the following statement under a heading *10. Details of treatment recommended*”:

“PTS recommended as surgical prognosis very poor and the horse's bolting behaviour when ridden would have made any potential rehab unsafe.”

In their letter initially declining the claim, NFU refer to the following policy definition under the *Loss of animal* section of the policy:

“Put to Sleep

Euthanasia:

- *without our written consent which is immediately carried out following confirmation by a vet that the injury, illness, disease or condition cannot be treated, and the suffering is so excessive that it is not humane to keep the horse alive until you can contact us and to delay would be an act of cruelty; or*
- *with our prior written consent.*

This criteria is in accordance with the current British Equine Veterinary Association (BEVA) Guidelines for the Destruction of horses under All Risks Mortality insurance policies.”

NFU don't explicitly reference the BEVA guidelines. Looking at the BEVA website, it refers to 'an affected horse' having to meet the following requirements (for euthanasia).

“That the insured horse sustains an injury or manifests an illness or disease that is so severe as to warrant immediate destruction to relieve incurable and excessive pain and that no other options for treatment are available to that horse at that time.”

My role isn't to determine whether these guidelines were met – it's to decide whether NFU acted fairly and reasonably in concluding they hadn't been met. Looking at all the evidence available from the various vets, I don't think NFU did act unfairly. From what I've seen the condition manifested itself when the horse was under saddle and being ridden. The condition wasn't so severe as to warrant immediate destruction or to relieve incurable and excessive pain.

I've also noted the following statement under the *Put to Sleep and Euthanasia* section referenced above:

What is insured

We will pay if the horse:...

- *dies or is put to sleep due to:*
 - *an accident which happens, or*
 - *an illness, disease or condition which first appears*

during the period of cover.”

What this means is that if a condition doesn't first appear during the period of cover (that is, after the policy is taken out) then there is no cover for euthanasia of the horse. Put another way, if a horse is euthanised because of a pre-existing condition, the loss of the animal won't be covered.

Taking all these points into account, I've concluded NFU acted fairly and reasonably in accordance with the policy terms and conditions in declining Miss S's claim. So, I won't be asking them to do anything further.

My final decision

For the reasons set out above, my final decision is that I don't uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 November 2024.

Paul King
Ombudsman