

The complaint

Miss H has complained that Red Sands Insurance Company (Europe) Limited has unreasonably and unfairly refused to pay her claim under her pet policy by erroneously considering the cause of the claim to be pre-existing.

What happened

Miss H adopted her adult cat on 20 February 2021. She bought her policy with Red Sands to start on 25 February 2021 with the warm-up period expiring on 11 March 2021.

Miss H's cat became unwell from July 2023 with gastric problems and then her cat developed a large lump in his side causing a sudden gastrointestinal blockage and required emergency surgery on 13 October 2023. The diagnosis was hypomotility disorder. Miss H duly made a claim to Red Sands for the cost of the surgery and treatment.

Red Sands declined the claim. It decided because her cat would vomit up hairballs from time to time, it should impose a hairball exclusion. So, Miss H complained, and Red Sands issued its final response letter. It said the policy doesn't provide cover for pre-existing conditions. It also noted from the vet history her cat had a three-day vomiting history on 16 October 2018, and weight loss issues on 9 December 2020 and 16 March 2022. And then again from July 2023 which was the start of the illness leading to the claim. So effectively because the vet history showed this short history of a three-day vomiting issue plus concerns about his weight before the policy started it decided this was related to his gastrointestinal blockage emergency surgery some years later. It then said its furball exclusion should have been placed on her policy from Miss H's first claim for a dental claim in 2022. And since it wasn't it has now taken off the hairball exclusion altogether.

Miss H remained dissatisfied and brought her complaint to us. The investigator was of the view that Red Sands didn't do anything wrong. Miss H didn't agree so her complaint was passed to me to decide.

I issued a provisional decision on 31 July 2024, and I said the following:

'Having done so I'm intending to uphold this complaint. I'll now explain why.

Miss H explained in her complaint form to us that Red Sands had spent two weeks when she first bought her policy checking his vet history and it confirmed there was no exclusions and that her cat had no pre-existing conditions. I don't consider this is correct as the policy clearly states that the vet history is only looked at when the policyholder makes their first claim. I think Miss H might have misunderstood the initial two week cooling off period or warm up period as Red Sands calls it. However, it's clear the vet history for Miss H's cat would have been seen by Red Sands when she made her first claim under this policy which I understand related to dental issues.

Mrs H's policy is annually renewable life cover for her cat for vet fees up to the annual maximum of £4,000 which is reset each year on renewal. Cover started from

25 February 2021. That means for any pre-existing conditions issue, the illness to include any related symptoms must have been prior to this date.

And like most pet policies, Miss H's policy doesn't cover pre-existing conditions. For the policy of 2023, so the policy relevant to Miss H's claim, her policy says the following:

'Pre-existing conditions

Pre-existing conditions aren't covered in this policy. A condition, injury or illness is pre-existing if [name of cat] has shown signs or symptoms before you joined Waggel, or within the first 14 days of your initial policy start date. This also includes any other condition, injury or illness which is connected to that pre-existing condition as determined by a vet.'

So, in order to decide a pre-existing condition or symptom is relevant to the condition that caused the claim, Red Sands needs to show there is some connection between issues contained in the vet history being relevant to the condition claimed and for this to be determined by a vet. We asked Red Sands to show us any evidence from its internal or external vet experts about Miss H's claim and why the issues it had identified in the vet history were relevant to the claim, but no such information was received.

Instead in Red Sand's final response letter, it mentioned a three-day vomiting issue in 2018 and weight loss concerns in 2020 as being relevant to this gastric obstruction which required emergency surgery on 13 October 2023. It didn't provide any clarification from any vet either why these issues were related to Miss H's claim in 2023.

However, Miss H asked her present vet and her cat's previous vets (before she adopted him) to explain the vet history along with the previous owner. I am persuaded by the vets' separate views on the vet history before Miss H's policy started on 25 February 2021 that these issues were singularly not related to the cause of the claim in October 2023.

One vet who I shall call Ms W, detailed the cat's weight as recorded in the vet history from September 2021 to September 2022 therefore after this policy started and noted any weight loss issues at that time were related to a dental issue which was dealt with in April and May 2022 with his weight thereafter stabilising. Routine blood tests were also done at the time of the dental operations which showed low lymphocytes, but it wasn't deemed as critical or worthy of further investigation. Once the dental issue was resolved the cat had a good appetite and put on a little weight. Any abdominal exams were all noted as being fine. She didn't think there was any indication of any hypomotility issue with Mrs H's cat for the time the cat was registered at this vet practice from September 2021 to September 2022. The signs she would have expected to see would have been regular vomiting, anorexia, difficulty defecating with either constipation or diarrhoea, melena (bleeding in the GI tract), bloated stomach/cranial abdomen and lethargy. And she confirmed that Mrs H's cat didn't exhibit these symptoms when under her care.

Another vet who I shall call Ms D said Ms H's cat was under her care from December 2016 to February 2021. She said during this time she considered the cat was healthy and wasn't noted to have any illness or disease. There was no indication of any pre-existing conditions. She explained the note in the vet history for this three-day vomiting issue on 28 October 2018, which she said was most likely to be furball

related or an infection as his symptoms resolved rapidly with bland food and antibiotics. She also discussed the weight loss issue in the vet history on 9 December 2020 and considered this was an incidental finding and not a cause for any concern. She attached a weight chart to show the cat's weight increased so no further treatment was recommended. She said at no time under her care did Miss H's cat have any blockage which would have been deemed an emergency requiring intervention. She said that if he had any gastrointestinal hypomotility, she would have expected him to exhibit symptoms of reduced faecal output, constipation, straining which isn't noted anywhere in the history when this cat was under her care.

So, I consider from both of these vets' analysis of this cat's vet history that there was no indication of any pre-existing conditions or symptoms pertaining to the cause of the claim in October 2023. Therefore, I don't consider Red Sands' refusal to pay Miss H's claim to be fair or reasonable. And I consider it should now pay her claim, adding interest if Miss H has already paid her vet's fees.

I consider Red Sands confused itself over the furball exclusion too. We asked for any underwriting guidelines concerning furballs but that wasn't forthcoming either. Miss H's cat is a long-haired cat. Cats by nature (whether long or short haired) groom themselves and obviously at times ingest the hair. Which in turn can cause hairballs as the hair strands aren't easily digestible. Vomiting up hair balls on occasion is a normal cat activity and behaviour. Red Sands has not shown that its underwriting guidelines considers such normal behaviour in cats should be routinely excluded. Nor does its policy terms or any explanatory documentation detail that anything to do with hairballs is excluded. I would consider this a very unusual term indeed given this is the normal behaviour of all cats which have fur. The vet above explained that the three-day issue of vomiting in October 2018 could have been either furball related or an infection and resolved rapidly. Therefore, with the added query over infection, I consider Red Sands was wholly wrong in excluding hairballs on Miss H's policy following the consideration of this claim. Therefore, I am pleased to note that Red Sands obviously saw the error of its ways and has already removed the hairball exclusion.

Red Sands has caused Miss H to go to a considerable amount of trouble to obtain vet evidence in order to explain why its decision to decline her claim was not related to any pre-existing condition. If Red Sands had sought its own vet advice internally at the time (which it is required to do under its pre-existing condition clause in this policy), I consider on the proper analysis of this cat's vet history that vet would have seen there was no such evidence of a pre-existing condition pertaining to the cause of this claim. If Mrs H has incurred further vet or vet administration fees in having to obtain this evidence, Red Sands should refund the same as per any invoice and with interest if Mrs H has already paid such costs.

I also consider that Red Sands caused Miss H a considerable amount of trouble and upset too, unnecessarily. Therefore, it should pay Miss H the sum of £150 compensation. This is in line with our published stance on compensation at this level which I consider to be very warranted in this case.'

Red Sands didn't respond to the provisional decision. Miss H accepted it. She is especially concerned about whether Red Sands would provide ongoing cover for this condition as he cat obviously needs further check-ups, medication, and scans etc. And she's concerned how it would pay her costs.

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 again, given Red Sands didn't respond and Miss H accepted my provisional decision I see no reason why I should change it.

Given I've decided there is no evidence that this issue with Miss H's cat was pre-existing there is no reason for Red Sands to refuse any ongoing cover for this condition and/or any other condition subject to the annual limit of the policy cover.

Under the outcome below it explains how Red Sands should refund Miss H her costs. Miss H should detail to Red Sands the costs she has paid and the date she paid them. If there are any unpaid claim costs, an appropriate invoice of those remaining costs should be forwarded to Red Sands for payment too.

My final decision

So, for these reasons it's my final decision that I uphold this complaint.

I now require Red Sands Insurance Company (Europe) Limited to do the following:

- Pay Miss H's claim in accordance with the remaining terms and conditions of the policy.
- Add interest of 8% simple per year if Miss H has already paid her vet from the date that she paid the vet fees to the date of its refund.
- If Miss H has incurred further vet or vet administration fees for her cat's previous vets to provide the evidence she disclosed, I consider it should refund these costs on proof of payment from the date Miss H paid any such fees to the date of its refund.
- If income tax is to be deducted from the interest, appropriate documentation should be provided to Miss H for HMRC purposes.
- Pay Miss H £150 compensation for the trouble and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 September 2024.

Rona Doyle
Ombudsman