

The complaint

Ms F's complaint is about the refusal of a claim under her pet insurance policy with Great Lakes Insurance UK Limited.

What happened

In March 2024, Ms F made a claim under the policy for treatment for her dog for a lipoma on its right leg in February and March 2024. The lipoma had to be removed, as it was causing the dog to limp.

Great Lakes considered the claim but rejected it. Great Lakes said the vet's notes record that the dog also had a lipoma in January 2023 dog. As this was before the start of Ms F's policy (which started on 12 July 2023) the claim is for a pre-existing condition and, as such, is excluded from cover.

Ms F was very unhappy about this and complained. The treating vet wrote in support of the claim that they considered the issues were unrelated.

RSA reviewed the complaint but maintained its refusal of the claim, so Ms F referred the matter to us. Ms F told us she has had to pay the treatment costs (of around £1,800) which has put her in debt and caused worry and distress.

One of our investigators looked into the matter. She said the reference to lipoma in 2023 was not a formal diagnosis and the lump found at that time was in a different location than the lipoma treated in early 2024. Given this and the vet's assertion that the two lumps were not linked, the Investigator did not think Great Lakes had established the dog had a pre-existing condition. The Investigator therefore recommended the complaint be upheld and that Great Lakes should reimburse Ms F for the costs of treatment, together with interest at our usual rate. The investigator also recommended that Great Lakes pay Ms F £100 compensation.

Great Lakes does not accept the investigator's assessment, so the matter has been passed to me.

Great Lakes says that although the two lipomas were in different parts of the dog's body, lipoma is a condition and as there was a lipoma present before the start of the policy it is a pre-existing condition in accordance with the policy terms. Great Lakes also says that Ms F's dog is middle aged and overweight, so prone to lipomas. It says a dog can have multiple lipomas and as they are benign growths they often do not need to be removed and so are not normally tested. Therefore definitive diagnosis is not always possible but as the vet's notes in January 2023 say the lump was likely a lipoma, this means it was a probable diagnosis and it is entitled to rely on this.

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. Having considered all the evidence carefully, I don't think Great Lakes acted reasonably in turning Ms F's claim down. I'll explain why.

Ms F's policy says Great Lakes will not cover:

"Any Pre-existing Condition unless declared to Us and accepted by Us in writing."

Pre-existing conditions are defined in the policy as being:

"1. Any Condition for which Your Pet has been subject to examination, consultation, advice, tests, X-rays, medication, surgery, nursing or other care provided by a Vet in the 24 months prior to the Cover Start Date or within the waiting period including in relation to:

- a. changes in Your Pets health or behaviour; or*
- b. existing physical abnormalities; or*
- c. existing illnesses or injuries; or*
- d. existing illnesses, injuries or physical abnormalities which lead to other health issues or injuries; or*
- e. illnesses or injuries which are medically linked to existing illnesses, injuries or physical abnormalities; and*
- f. changes in Your Pets health, behaviour or symptom that You haven't yet seen a Vet about; and*

2. Any ongoing Condition or symptom, that was diagnosed over 2 years ago, that You may not have needed to see a Vet about in the 24 months prior to the Cover Start Date, or within the waiting Period, e.g. diabetes controlled by diet."

The policy also says that a condition will include recurring and related conditions, defined as follows:

"Recurring Condition(s)

Any previous illness or any Symptoms relating to that illness or a previous Accidental Injury or any Symptoms relating to that Accidental Injury that may come back or that Your Pet is prone to, no matter how many times this comes back or how many areas of the body are affected."

And:

"Related Condition(s)

Any Illness, Accidental Injury or Symptom which is:

- diagnosed as one Illness or Accidental Injury; or*
- caused by, related to, or resulting from another Illness, Accidental Injury or Symptom.*

When applying a Limit of Cover, Excess or exclusion, We will consider Bilateral, Recurring or Related Conditions as one Condition. Your Vet may state that the Conditions are not technically related but Your Policy terms required Us to treat them as one Condition”

My understanding is that lipoma is not an illness as such but it is a physical abnormality, so would reasonably be considered a condition in accordance with the policy definition above.

The policy terms mean it is not necessary for any condition to have been diagnosed for it to fall within the above definition and exclusion but the symptoms (or in this case physical abnormality) would have to occur before the start of the policy and they must be a symptom of, or related to, the condition claimed for. So in this case this means that Great Lakes must establish that the lump found in January 2023 was the same condition as the lipoma treated in February 2024, in order to be able to rely on this exclusion.

I have therefore considered the evidence available to determine if the lump found in 2023 can reasonably be considered to be the same condition as the lipoma claimed for in 2024.

The vet’s notes of 24 January 2023 when the lump was found say:

“History - Cranial thorax 1cm subcut mass, likely lipoma, no change in 6M. Offered FNA vs excision, o’ will monitor for now. EDUF normal. V+ bile once yesterday morning, back to normal since.”

The lump was not tested and not diagnosed. While the vet said they thought it was likely a lipoma this was not a formal diagnosis. The vet offered testing by fine needle aspiration, but Ms F said she’d monitor it. The note above says “no change” in six months. So it seems the lump had been there for a while and had not got bigger. I cannot see any other mention of the lump on the dog’s neck in any later notes.

The lump that was on the dog’s leg in 2024 (noted as being 10cm in diameter) and had to be removed was tested and confirmed as being a lipoma.

The vet wrote a letter dated March 2024 which said that two lumps were not reasonably linked:

“A colleague identified a mass in a different location (the cranial thorax) on 24/01/2023 and postulated it could be a lipoma but it was never sampled so this could not be confirmed. Given the lack of a diagnosis for the cranial thoracic subcutaneous mass and the different locations of these 2 lumps, they should not be treated as related.”

The vet also wrote to the Investigator in June 2024 with some further information:

“A soft mass over ...[the dog’s] thorax was reported and discussed on 24/01/23. It was suspected that the lump was a lipoma, but a firm diagnosis cannot be made by palpation alone, so sampling would unfortunately be required to answer this question definitively.

Lipomas are a benign growth, and therefore spread to other sites of the body is not observed-for this reason, the lump that was removed should not be related to the lump discussed on 24/01/23. However, some dogs with lipomas can develop multiple lipomas: seemingly due to a predisposition.”

Great Lakes also says the dog's age and weight means it is predisposed to lipomas and just because these two lumps were in different parts of the body doesn't mean it is not a pre-existing condition.

However, I find the vet's evidence persuasive. As stated above, it is for Great Lakes to establish the relationship between the condition claimed for and the lump found in January 2023. Just because the dog has had one lipoma diagnosed in 2024 and there *may* be a predisposition to lipomas does not establish that it was the same condition in 2023. As there was no diagnosis in 2023, I do not think that Great Lakes has established that the lipoma was "*caused by, related to, or resulting from*" the lump in 2023, or that the lipoma in 2024 was a symptom the dog was prone to as a result of the lump in 2023.

And even if it were I also have to decide what's fair and reasonable in all the circumstances. I don't generally consider it's fair and reasonable for an insurer to decline a claim just because a claimed condition is the same as the existing condition in name only.

It's for Great Lakes to show that the exclusion fairly applies. I've seen no evidence that the cause of Ms F's dog's lipoma on its leg in 2024 and the lipoma on its neck in 2023 were related in this particular dog. I therefore consider Great Lakes should have met the claim. As Ms F has already paid the vet's fees, it should reimburse the fees paid (subject to the remaining terms of the policy, such as any excess and any co-payment) and add interest at our usual rate. I also agree with the Investigator that some additional compensation is warranted for the trouble this has caused Ms F. I agree that £100 is reasonable.

My final decision

I uphold this complaint against Great Lakes Insurance UK Limited and require it to do the following:

1. meet the claim, subject to remaining terms of the policy;
2. add interest at 8% simple per annum on the amount to be paid in settlement of the claim from the date Ms F paid the vet to the date of reimbursement;
3. pay Ms F the sum of £100 compensation for the distress and inconvenience caused by the wrongful rejection of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 23 October 2024.

Harriet McCarthy
Ombudsman