

## **The complaint**

Mrs G complains that Casualty & General Insurance Company (Europe) Ltd (“C&G”) unfairly declined a claim under her pet insurance policy and amended the breed of her dog on the policy resulting in an increase of premiums.

Where I refer to C&G, this includes the actions of its agents and claims handlers for which it takes responsibility.

## **What happened**

The detailed background to this complaint is well known to both parties, so I’ll only summarise the key events here.

In July 2023, Mrs G’s dog suffered a cranial cruciate ligament rupture. She made a claim under her pet insurance policy, underwritten by C&G, for the costs of the X-ray. And, later, for the costs of the treatment and surgery.

C&G declined the claim on the basis the policy excludes claims associated with a pet being overweight. It said the vet notes showed Mrs G’s dog was overweight at the time of the injury. And as cruciate ligament injuries are commonly caused by dog’s being overweight, it considered the exclusion applied.

On reviewing the claim, C&G noted that Mrs G’s vet had the dog’s breed recorded as a beagle cross, whereas Mrs G had told C&G that her dog was a “medium mongrel” when she took out the policy. It said Mrs G was underinsured as a result and in the event of a successful claim, it would deduct the percentage by which she had underpaid. It has increased the monthly premium going forwards.

Mrs G didn’t think this was fair. She’s provided a DNA test confirming her dog is a mixed breed and a letter from her vet supporting the results due to the dog not having the usual appearance of a beagle. She raised a complaint, but C&G maintained its decision. So she brought it to our service.

Our Investigator didn’t uphold the complaint. She was satisfied C&G had acted in line with the policy terms and hadn’t treated Mrs G unfairly.

As Mrs G didn’t agree, the complaint was passed to me to decide. And as I reached a different outcome to our Investigator, I issued a provisional decision.

## **My provisional decision**

### *Claim decline*

When making a claim under an insurance policy, the onus is on the policyholder to prove they have a valid claim. If they do, the insurer should cover the claim unless it can prove that a policy condition or exclusion applies.

Mrs G has shown that her dog has suffered a cranial cruciate ligament rupture, and she's incurred vet fees as a result, which is something the policy provides for. So, on the face of it, she's demonstrated that she has a valid claim.

If C&G wish to decline the claim based on a policy exclusion, it needs to demonstrate, on balance, that the exclusion applies. I'm not persuaded it's done so.

The relevant policy exclusion says:

*“Any claims resulting from Your pet being medically overweight or underweight and this results in Your pet needing Treatment as a result of not being the recommended medical weight for its age, breed type and sex as recommended by an independent Vet.”*

For this exclusion to apply, the claim and treatment must have *resulted* from Mrs G's dog being overweight. Based on the vet's notes, I accept the dog was over the recommended weight at the time of the injury. However, I've not seen anything that persuades me the cranial cruciate ligament rupture *resulted* from her dog being overweight.

C&G says the policy doesn't cover any condition where the pet is deemed overweight, and the condition is associated with this. However, that's not what the policy terms say. So, whilst I accept cruciate ligament injuries in dogs and their weight can be associated with each other, in my view, that's not enough here.

Mrs G says the injury occurred whilst her dog was running and playing with other dogs in a field. And a letter from the vet says it was a traumatic rupture. The most common causes of these injuries are as a result of sudden movements and impacts. Given Mrs G's dog was playing at the time of the injury, I think it's more likely than not this was the cause of the rupture and C&G hasn't supplied anything to show me otherwise.

I'm not persuaded this injury was a result of being medically overweight, so it follows that I don't consider C&G has proven a policy condition or exclusion applies here. For this reason, I'm not satisfied it declined the claim correctly or fairly.

This is in accordance with our long-standing approach, which C&G will be aware of through previous decisions issued by this Service. It's important to highlight that under Consumer Duty, C&G are required to learn from our decisions and it's disappointing to see that it hasn't.

### *Misrepresentation*

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). CIDRA allows an insurer to take certain remedies in situations where it can show a qualifying misrepresentation has occurred.

C&G says Mrs G misrepresented her dog's breed when she took out her policy. Therefore, it needs to show it asked Mrs G a clear and specific question with sufficient explanatory material. And that the answer she gave was incorrect or unreasonable.

C&G hasn't provided us with the details of the question it asked at inception of the policy or how the policy was taken out. I've therefore made an assumption that the policy was taken out online through C&G's website and, using the internet archives, I've looked at the process Mrs G would've followed when she took out her insurance policy.

To obtain a quote, the website asks firstly for the name of the pet and the type of pet it is – which Mrs G would've selected dog.

Mrs G would've then been asked to select the type of breed, and a drop down provides three options: breed, cross breed, and mongrel. There is an information button next to the question which provides information on how to answer. It says:

*“A breed is a dog or cat whose parents are of the same breed.*

*A cross breed is a dog or cat whose parents are of two different breeds, please choose the most dominant breed of your pet. If your pet is a Mongrel the breed will be unknown. If you are unsure the breed of your pet, please call XX.”*

Mrs G selected 'mongrel'. Looking at the DNA results provided, which Mrs G had at the time, it says her dog's breed is 50% beagle, 25% harrier, 12.5% otterhound, and 12.5% breed groups.

Given the different breed make-up of Mrs G's dog, I can understand why she felt the dog is a mongrel. It's clearly not a breed. And the definition of cross breed says where the dog's parents are two different breeds – but Mrs G couldn't say that for certain; it's likely her dog's parents were made up of several breeds which has resulted in the diverse DNA make-up of her dog. And 12.5% of her dog's DNA is unknown.

As such, based on the question asked and information given to help Mrs G answer it, I'm not persuaded she answered the question incorrectly or unreasonably. So it follows that I'm satisfied there was no misrepresentation.

### **Responses to my provisional decision**

Mrs G has accepted my provisional decision.

C&G has confirmed that it has no further points to raise.

### **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.

As neither party had any further submissions for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

### **My final decision**

For the reasons I've explained, I uphold this complaint and direct Casualty & General Insurance Company (Europe) Ltd to:

- settle the claim in full, minus any policy excess and subject to any policy limits, plus 8% simple interest per annum from the date Mrs G paid the vet bill until the date she's reimbursed.
- readjust Mrs G's premium to reflect that her dog is a medium mongrel.
- reimburse the increased policy premiums Mrs G has already paid, plus 8% simple interest per annum, from the date Mrs G paid these until the date she's reimbursed.

- pay Mrs G compensation of £150 in recognition of the distress and inconvenience it's caused as a result of declining her claim incorrectly and unfairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 27 September 2024.

Sheryl Sibley  
**Ombudsman**