

The complaint

Mr J complains that Red Sands Insurance Company (Europe) Limited (Red Sands) has unfairly turned down part of his claim on his pet insurance policy because it exceeds the policy limit.

What happened

During a routine appointment, Mr J's vet found his dog had an abdominal mass. The vet recommended a full abdominal ultrasound scan. To help with sedation during the scan, the vet also gave Mr J's dog a medication called omeprazole, to be taken in the lead-up to the scan. Mr J started a claim with Red Sands for the treatment of his dog's abdominal mass.

Five days later, Mr J's dog had the scan and the costs were added to his claim. Late in the evening after the scan, however, Mr J contacted an emergency vet because his dog had diarrhoea and was passing blood. Mr J's dog was admitted to the emergency vet for treatment overnight. The bill for that treatment was £1,024.90, which Mr J paid. He also asked the emergency vet to start a second claim with Red Sands for the treatment of his dog's diarrhoea.

Mr J's dog was still unwell the morning following his emergency treatment and so was transferred to his own vet for further treatment. He was due to go home later that day but, in the evening, his condition deteriorated. Once stabilised by the vet, Mr J's dog was then transferred to the emergency vet to be treated again overnight. The following morning, Mr J's dog was much better and was able to go home.

The cost of Mr J's dog's second night of treatment at the emergency vet was £393.48. Mr J paid this and asked the emergency vet to add it to his second claim for the treatment of his dog's diarrhoea.

The cost of Mr J's dog's treatment at his own vet's for the diarrhoea was £586.67. Red Sands settled this in full as part of a diarrhoea claim.

After he'd recovered from the diarrhoea, Mr J's dog was referred to a specialist, who recommended surgery to remove the abdominal mass. This cost just over £3,600. Mr J agreed to the surgery knowing he'd have to pay some of the cost, since it was over the policy limit of £2,000 for the treatment of his dog's abdominal mass. The surgery went ahead and was successful.

But Red Sands then wrote to Mr J saying it would only pay £1,044.41 of the £1,418.38 he'd claimed for the treatment of his dog's diarrhoea at the emergency vet (leaving a shortfall of £373.97). Red Sands said this was because Mr J had reached the policy limit of £2,000 per condition that his policy entitled him to. Red Sands said Mr J's dog's diarrhoea was linked to the abdominal mass because it had been caused by the omeprazole medication he'd been given to prepare for the scan.

Red Sands subsequently also told Mr J it had made an error in paying his own vet's fees of £586.67 for its treatment of the diarrhoea. But Red Sands said, since it had made the

mistake, it wouldn't be asking Mr J to pay any of this back.

Mr J complained to Red Sands saying his dog's abdominal mass and diarrhoea were two separate and unrelated conditions and so the £2,000 per condition policy limit should apply separately to each of them. When Red Sands didn't uphold his complaint, he brought it to us.

The investigator who looked at Mr J's complaint didn't uphold it. He thought Red Sands had acted fairly in treating Mr J's claim for his dog's diarrhoea as part of his abdominal mass condition, to which the policy limit on cover of £2,000 per condition therefore applied.

Mr J disagreed and asked for an ombudsman to decide his complaint. Among other things, he said that, although his dog's diarrhoea began after he was given omeprazole, not a single vet thought it was caused by the medication.

In my provisional decision of 6 August 2024, I explained why I intended to uphold Mr J's complaint. Mr J has accepted my decision and has clarified why he thinks Red Sands should reimburse him £1,418.34. Red Sands has also sent me details of the claims it's paid.

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, and for the reasons I gave in my provisional decision, I've decided to uphold Mr J's complaint. In that decision, I said:

"Mr J's pet insurance policy gives him cover for vet fees of up to £2,000 a year for each condition his dog has. A condition is defined as "any injury sustained during, or resulting from, a single accident or any manifestation of an illness having the same diagnostic classification or resulting from the same diseases regardless of the number of incidents or areas of your pet's body affected."

My role isn't to decide if Mr J's dog's diarrhoea was caused by the omeprazole he was given to prepare for the scan of his abdominal mass. It's to decide if, based on the evidence available to it, Red Sands acted fairly and reasonably, and in line with Mr J's policy terms and conditions, in dealing with it as such. And it is for Red Sands to show that, more likely than not, the diarrhoea was part of Mr J's dog's abdominal mass condition.

In turning down Mr J's claim for the treatment of his dog's diarrhoea, Red Sands said it could see Mr J's dog was given omeprazole to have a scan. It said the diarrhoea presented the following Sunday and progressed into haemorrhagic diarrhoea when he went home after the scan. It said, based on this review, "we can see that the main presenting symptoms developed as a result of the medication dispense (sic) for the Abdominal Mass scan, and therefore, the conditions are linked".

From what I've seen so far, I don't think there's enough evidence to support Red Sands' view that the two conditions were linked.

When Mr J's dog presented to the emergency vet with diarrhoea, it's noted in the "history" section of his clinical records that he'd had loose stools since taking omeprazole. But I don't think this means the vet attributed the diarrhoea to the omeprazole. I think the vet was simply recording observations made by Mr J about when his dog started to develop diarrhoea.

The following morning, when Mr J's dog was taken back to his own practice for further treatment, it's said in his clinical records that he was being hospitalised for colitis/gastroenteritis and heat stroke. It's noted that Mr J's dog had started omeprazole on the Friday and the diarrhoea began on the Sunday and Monday. But there are also lots of other notes setting out Mr J's dog's history and condition. I don't think this note can be interpreted as the vet saying the diarrhoea was caused by the omeprazole.

As I've already mentioned, just as he was about to be discharged the evening after the scan, the clinical records say Mr J's dog's condition deteriorated; that he vomited, started to pant and showed signs of heat stroke. These seem to me quite different symptoms from those he'd presented with previously.

From my reading of the clinical records from both practices who treated Mr J's dog's diarrhoea, I don't think the references to diarrhoea show a clear link between it and the omeprazole. Indeed, I can't see anything from either practice clearly stating what the vets think caused Mr J's dog's diarrhoea.

I've also seen a letter sent by the emergency vet to Red Sands asking it to reconsider its decision to turn down the diarrhoea claim. In it, the vet said: "I think we can in no way be certain these conditions [that is, the abdominal mass and the diarrhoea] are related". The letter doesn't deal specifically with the issue of a possible link between the omeprazole (as opposed to the abdominal mass generally) and the diarrhoea. But I think the vet's overall conclusion is clear.

I understand diarrhoea can be a side effect of omeprazole. But I've noted from Mr J's dog's clinical records that he'd been prescribed omeprazole in the past. There's nothing to suggest it had given him diarrhoea previously (something Mr J has also confirmed).

Based on all the evidence I've seen so far, I'm not persuaded it's more likely than not the omeprazole caused Mr J's dog's diarrhoea. And that means I don't think Red Sands has acted fairly and reasonably, or in line with Mr J's policy terms and conditions, in turning down Mr J's claim for the treatment of his dog's diarrhoea as it has. I think it should've dealt with the two conditions – the abdominal mass and the diarrhoea – as separate claims, each with a £2,000 a year policy limit. That means I think Red Sands should reimburse Mr J for the vet fees he's already paid that it should've covered as part of his two claims for the treatment of these two conditions (ie subject to the annual policy limit of £2,000 for each condition).

I note Mr J says he's out of pocket by £1,418.34 but, from the information I have, I'm not sure how he's calculated this figure. It would be helpful if Mr J and/or Red Sands could give me a breakdown of the cost of both sets of treatment so that everyone is clear about what Red Sands must reimburse him."

As I've mentioned Mr J has accepted my provisional decision and explained why he's out of pocket by £1,418.34 – and his calculations look right to me. And Red Sands has sent details of the amounts it says it's paid in connection with Mr J's claims. Having looked at everything again, I haven't seen anything to make me think I should depart from the conclusions I set out in in my provisional decision.

My final decision

For the reasons given in my provisional decision, and which now form part of this final decision, I uphold Mr J's complaint and direct Red Sands Insurance Company (Europe) Limited to:

- Deal with Mr J's claims for the treatment of his dog's abdominal mass and the treatment of his dog's diarrhoea as two separate conditions, each with an annual

policy limit of £2,000 (subject to the policy excess and the remaining policy terms and conditions).

- Reimburse Mr J the vet fees he's already paid that it should've covered as part of his two claims for the treatment of these two conditions.
- Pay Mr J interest at the rate of 8% a year simple on these fees one month from the date Mr J paid them to the date of settlement.

If Red Sands Insurance Company (Europe) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr J how much it's taken off. It should also give Mr J a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs, if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 October 2024.

Jane Gallacher
Ombudsman